

COMPARATIVE STUDY ON THE EFFECTS OF LABOR
RELATIONS REGULATION AND THE INFLUENCED FACTORS:
BASED ON THE SURVEY DATA FROM GUANGDONG AND
ZHEJIANG PROVINCES OF CHINA

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Abstract: Mainland China has 31 provincial administrative regions, most labor disputes occurred in economic developed provinces, like Guangdong Province. There is a except which is Zhejiang Province who is also an economic developed region. With statistics comparison, we raise three questions: First is whether the local government officials of labor relations administration perceive the differences of statistics on labor disputes between the two regions? Second, whether the different provincial factors, such as economic structure influence the effects of labor relations regulation? Guangdong Province is an export-oriented economic structure with many multinationals, while Zhejiang Province economy is mainly supported by private small and medium enterprises. Third, what factors make the different results of collective labor disputes? Based on the questionnaire data from 161 provincial local government officials and interview data as well as statistic data, this paper focuses on the three questions comparing between Guangdong and Zhejiang Provinces. The research purpose is to compare the perception of local officials and influenced factors on regulation. Analytical results show the following: (1) Although there are significant differences between the two provinces' labor relations disputes of statistics, the perception of local officials on the effects of labor relations regulation has no significant difference through ANOVA. (2) Between the two regions, the characteristics of region's factors like economic structure make the statistical differences of labor disputes. (3) The regulation effects on collective labor disputes are same between two regions by officials' perception, albeit the statistics number are significantly different. Finally the implications of the findings are discussed.

Keywords: Labor Relations, Regulation, Influence Factor, Collective Labor Dispute

INTRODUCTION

Labor shortage has emerged in the Pearl River Delta, Yangtze River Delta and other economically developed regions in China since 2004, and gradually spread to the Midwest provinces with rich labor resources (Wang and Zhang, 2014). While the supply and demand of China's labor market has been changing, many scholars believe that China economy has reached the Lewis turning point (Cai and Du, 2007: 155-160). Demographic dividends are disappearing and labor shortage has led to a general increase in labor costs. With the disappearance of labor dividends, labor disputes are increasing and becoming common, especially the collective ones. At the same time, labor relation issues have been concerned by academic disciplines, such as studies on the dispute scale and dispute focus. During the past 20 years, the amount of labor dispute cases, people involved and the collective labor dispute cases accepted by labor dispute arbitration committee at all levels have been increasing at an average speed of more than 10 percent annually (Cheng and Wang, 2012). Concerning information shows that more than 300 collective dispute cases happened in Guangdong Province since the Nanhai Honda strike in 2010, which displayed workers' diversified and compound demands including pay rise, relocation compensation, improving living conditions, social insurance. Among them, pay rise is the main appeal (Yang, 2014). As the biggest regime with labor-intensive industries and supplying numerous work positions for semi-skilled workers, Guangdong Province, the labor disputes number of which also leads in China. Furthermore, Foxconn employee suicide events in 2010, Nanhai Honda strike and other collective labor disputes make Guangdong Province attracted great attention by many China scholars as well as foreign ones. From the standpoint of the media information, labor relations in Guangdong Province are seemed to be serious. However, typical cases reported by the media can't fully

represent the situation of labor relations in Guangdong. To get an official judgment on the situation of labor relations, we conducted a survey from the government officials. When some scholars emphasize the studies of labor disputes in Guangdong based on statistical data and investigation data from enterprises and employees, there is significant to know what perceptions of government officials, and empirical comparative study between Guangdong and Zhejiang Provinces which are both developed regions. This study comparative analyses the effectiveness of government regulation and influenced factors on the labor relations based on the officials survey.

To solve problems raised by labor disputes, especially effects collective disputes have brought, it is necessary to use the systemic approaches, including macroeconomic policy control, technology innovation, and progress of labor quality. What can't be ignored are the government regulations of labor relations in China (Wu, 2012). Learning from Western countries, the government can obtain a wage growth goal by and regulating collective labor disputes, so as to maintain industrial competitiveness and national economic development (McGuinness et al., 2010). Take Ireland as an example, many studies have shown that under the system of wage moderation on the collective disputes, one country's competitiveness can be improved by controlling labor costs, and the employment increased eventually. And countries the in European Union have realized it too. As a result, from the mid 1990, wage moderation has been the criterion of collective negotiations, which means the increase rate of labor wage is lower than that of productivity rate. As an effect, from 1995 to 2007, labor productivity was increased by 20.3% in the EU 27 nations, while the actual wage increased only by 13.9% (Keune, et al., 2012: 1-6).

THE REASONS TO COMPARE GUANGDONG AND ZHEJIANG PROVINCES

It's obvious that the number of labor disputes in Guangdong is the larger than other provinces in China. In 2010, 100,329 labor dispute cases were accepted by Guangdong labor courts and arbitration committees, while Beijing, directly controlled by central government, with 66,463 cases, came as the second one(Sources: The China labor statistical yearbook, 2013).Faced with more and more collective disputes, Guangdong Province carried out collective bargaining but in vain (Zhou, 2014). Compared with other developed provinces in China, the number and fluctuation of labor disputes in Zhejiang is the smallest. Therefore, it is worthy of making a comparative analysis between Guangdong Province and Zhejiang Province. Both of them are located in Chinese economically developed regions-- Pearl River Delta and Yangtze River Delta, and their economy and living standards rank high in China. Although the GDP of Guangdong is slightly higher than that of Zhejiang, per capita GDP and urban residents' disposable income per capita in Zhejiang are much higher than that of Guangzhou. So it can be concluded that the economy and living standards of these two provinces are comparable. The data comparison of the two provinces' total GDP and per capita GDP are as followed in the Figure 1 and Figure 2.

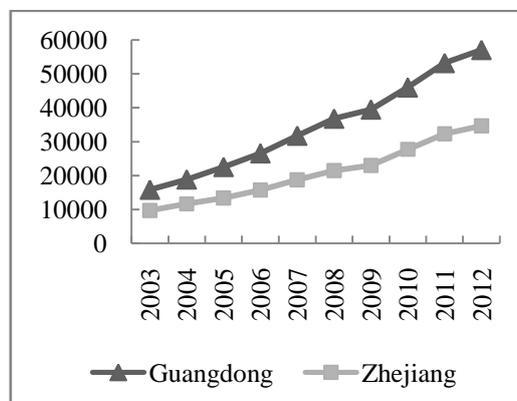


Figure 1 Total GDP comparison between Guangdong and Zhejiang from 2003 to 2012
Note: GDP unit is 100 million RMB. Data sources: China Statistical Yearbook, 2004-2013.

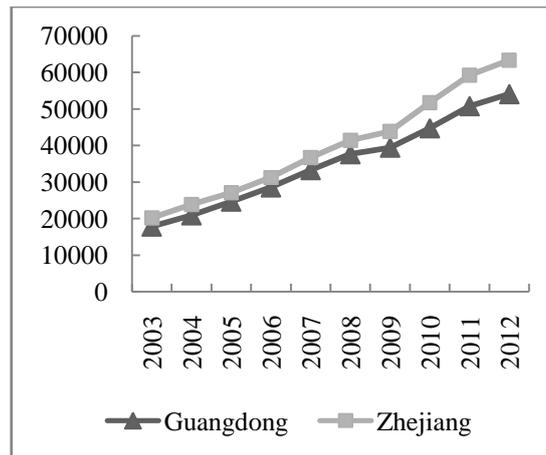


Figure 2 Per capita GDP comparison between Guangdong and Zhejiang from 2003 to 2012
 Note: Per capita GDP unit is 1RMB. Data sources: China Statistical Yearbook, 2004-2013.

For any government, its regulation on labor relations has two sides. It's necessary to compare the officials' perception about labor disputes influence on the economy and society, as well as cognitive effectiveness of government regulation. This study comparatively analyze on the regulation of labor relations between Guangdong Province and Zhejiang Province and focuses on three aspects: First, how the local government officials of labor relations administration perceive the differences of statistics on labor disputes between the two regions? Second, do different provincial factors exist, such as economic structure influence the effects of labor relation regulation? Third, what regulation policies do Guangdong and Zhejiang provinces formulate, according to the change from individual labor relations to collective ones?

THE METHODOLOGY OF THIS STUDY

This research is mainly based on the survey data, combined with statistics data and interview data. And SPSS19.0 is used to make the comparative analysis.

Questionnaire Design

The purpose of the questionnaire is to know the perceptions by government officials on the effects of labor disputes upon the social and economic development in

Guangdong and Zhejiang Province, to identify the factors influencing the effectiveness, and the countermeasures and comments to achieve harmonious labor relations. The questionnaire is mainly composed of four parts, related to items with Likert 5 scales from "Total Disagree" to "Total Agree".

The first part is personal information, including gender, birth date, degree, years of working, location and current position.

The second part is composed of subjective questions including the personal perceptions on the situation of local labor relations, local government regulation's effectiveness, obstacles to the effectiveness of policies and regulations related to labor relations, the local tripartite mechanism for labor relations and collective labor relations.

The third part consists of objective questions mainly to collect the data reflecting local labor relations and the effects of government regulations. This part data is not analyzed in this study.

The fourth part is made up of open questions, in order to collect additional comments and compensate for structural weakness.

Data Collection

Questionnaires were sent to both provinces' officials responsible local labor relations regulation, including the provincial department of human resources and social security, the regional city level department of human resources and social security, and the county government department of human resources and social security. The survey time was from October to December in 2013.

The Characteristics of Data

We received 162 respondents, including 124 respondents from Guangdong Province and 38 respondents from Zhejiang Province. One from Zhejiang Province is invalid, so the total number of valid respondents is 161 and the effect rate of respondents is 99.38 percent. Demographic characteristics of those respondents are as followed: 88.1 percent of the respondents are male, and the remaining are female. 0.7 percent of respondents' age is under 30, and 13.2 percent of respondents age is between 31 and 40 years old. The largest number of respondents are between 41 and 50 years old, which makes up 58.3 percent. Respondents over 50 occupy 27.8 percent. Among the interviewees, 35 percent have college degree and bachelor degree account for 62.4 percent. Only 2.5 percent have graduate degree. In terms of working time, 51 percent of respondents engaged in labor relations regulation in the government sector serve no more than 5 years, and 41.8 percent of respondents work between 6 and 20 years. Respondents who have more than 20 years of job experience account for 7.2 percent. In aspects of respondents positions, interviewees on division level and the below account for 93.7 percent, while others on division level and deputy department (bureau) level occupy only 6.3 percent.

THE ANALYSIS OF SURVEY DATA

We used T-tests to compare the data from two provinces' respondents in five aspects: overall situation of labor relations, effectiveness of government regulation, tripartite mechanism, media effect and collective labor relations. The test is aimed at identifying whether there are significant differences between items' means of these two regions.

The Personnel Cognition on Situation of Labor Relations

The personnel cognition on overall situation of labor relations contains 6 items, including harmonious degree of local labor relations, labor relations' impact on local economy and social stability. Through statistical tests of questionnaire data, these six items have no significant differences and four comparative results are summarized.

(1) The Labor Relations Effect on Economy and Society Greatly Increased.

Since the reform and opening up policy conducted in China, the economy and society have been significantly developed. In the meantime, a lot of social conflicts are accumulated. In 2010, a series of stoppages and strikes happened, such as the Nanhai Honda strike, which initiated the collective bargaining in Guangdong Province. It also indicated that labor relations in China were changing from individual level to collective level (Chang, 2012). The labor disputes during the economic transition are becoming one of the major social conflicts.

Based on the survey data, there is no significant difference on two items: "to what degree does the situation of local labor relations influence the social stability" and "to what degree does the situation of local labor relations influence economic development" between Guangdong Province and Zhejiang Province. Combining the data of two provinces, 58.5 percent of respondents believe that local labor relations have more impact on the social stability, while 56.53 percent think local labor relations have more impact on the economic development.

An increasing number of labor disputes not only exacerbate the friction between employees and employers, but also increase the difficulty of government regulation. The advent of Internet era makes individual information shared and distributed immediately. News such as wage delay paying, industrial injury accident claims and

collective action are communicated among employees and push them to protect their labor rights. Obviously, the impact of labor relations on economy and society is negative and common, in both provinces, no matter how many labor disputes.

(2) The Overall Situation of Labor Relations Are both in Harmonious State.

Guangdong Province and Zhejiang Province are located in China most economically developed regions -- Pearl River Delta and Yangtze River Delta, and also the regions with frequent labor disputes. As shown in Figure 3, the number of labor disputes in Guangdong Province and Zhejiang Province were continually increasing from 2003 to 2012. In Guangdong, a spurt growth appeared in 2008 and then steadily rose year by year after a slight decline. As for Zhejiang, the growth of labor disputes is relatively stable, and the number is far less than that in Guangdong at any time. Combined with media coverage, it seems that Zhejiang Province is more harmonious than Guangdong Province in the labor relations.

However, the independent-sample T Test on survey data shows that two provinces' respondents have no significant differences in terms of "the harmonious degree of local labor relations". The mean of Guangdong Province is 3.83 and the mean of Zhejiang Province is 3.76. And 77.2 percent of the respondents in Guangdong believe that the local labor relations are comparatively harmonious or very harmonious. And that proportion in Zhejiang Province is 78.4 percent.

Government regulation is to balance the conflicts between employers and employees, and to form a normal system of conflicts settlement. Officials in both Guangdong and Zhejiang Province evaluate that the local labor relations are very harmonious, which indicates that two provinces' respondents believe the local labor disputes are within the controllable range and the government regulation at present is effective. The rising

number of labor disputes does not worsen the overall situation. So the relationship between number of labor disputes and harmonious degree of labor relations is not a simple causal relationship and need to be further studied.

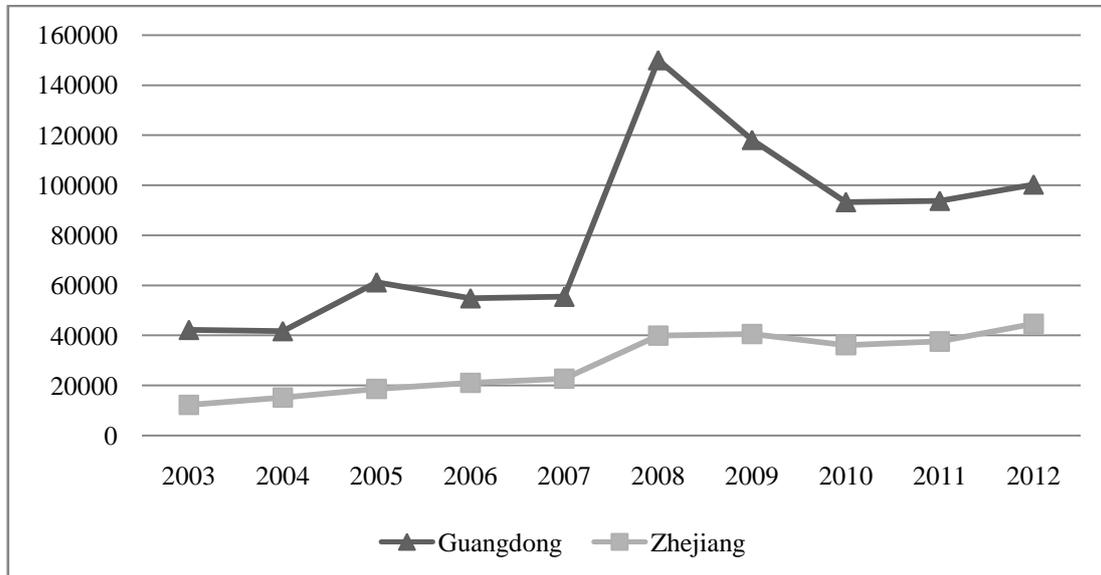


Figure3 The number of labor disputes in Guangdong Province and Zhejiang Province
Data sources: China Statistical Yearbook, 2004-2013, National Bureau of Statistics.

(3) Labor Rights Awareness and Actions of Employees Are Strengthening.

The survey data analysis shows that the respondents of both provinces believe that employees' awareness of collective labor rights and their actions are strengthening. The means of two provinces are respectively 4.38 and 4.30 without significant difference. This survey data is consistent with the finding by Cheng and Wang (2012), who find that the collective actions are characteristic of high occurrence frequency, long duration, lots of participants, large social influence. However, the collective actions didn't achieve good results from the view of respondents. Only 36.1 percent of two provinces' respondents concerned the collective action effectively raised workers' wage and helped to improve income distribution more justice.

(4) The Officials' View on Conflicts of Labor Relations Is More Rational.

Labor conflicts, especially the collective labor disputes are related with the most sensitive political topic in China 'maintenance of stability'. In 2011, the national budget on 'maintenance of stability' reached 624.4 billion yuan, more than IDF costs budget that year, which was 601.1 billion yuan (Wen, 2012). In order to maintain the social stable, the government builds a variety of top-down pressure mechanisms and accountability. The labor disputes, group petition and strikes are precisely the most uncertain social phenomena at present. In China, labor conflicts are inevitable in the process of industrialization but regulation tone needs to be considered as cooperation. Employees' collective actions are seemingly conflicting with negative effect, but they might be constructive which might not be over alert or excessively prevented.

In the survey, 68.80 percent of two provinces' respondents agree with the item 'employees and employers are different interest groups but their conflict can be controlled and resolved through management improvements'. 11.3 percent of respondents agree with 'employees and employers are different interest groups and their conflict is on class level, which cannot be controlled and resolved through regulation adjustments'. And 26.9 percent of respondents believe that employers and employees are partners. Though their conflicts are coherent, some existing labor conflicts can be resolved by improving internal management. The survey data shows that respondents' view on labor conflicts becomes rational, and there is no significant difference between Guangdong and Zhejiang.

The Cognition on Effectiveness of Labor Relations Regulations

The effectiveness of labor relations regulation contains 13 items, such as 'Whether the implementation of 'Labor Contract Law' is positive for stabilizing labor relations',

‘whether the number of labor disputes is gently declining with the reinforcement of government regulation?’ Through independent-samples T Test, there is no significant difference between two provinces except one item ‘Labor Contract Law’ has a positive effect to stable labor relations’.

(1) Government Plays a Leading Role in Constructing Harmonious Labor Relations.

Constructing harmonious labor relations is a task faced by the whole China. Labor relations under the market economy are under a tripartite mechanism. As actors of such a mechanism, government, employers, and employees should take corresponding responsibilities. China’s labor relations are developing in the transition period, characterizing in imperfect harmony, unstable employees and employers organizations. Such situation makes the government play a greatly important and dominant role in constructing harmonious labor relations.

There is no significant difference between Guangdong Province and Zhejiang Province on the item ‘the extent of local governments roles played in constructing harmonious labor relations’. The mean in Guangdong is 4.49 and that of Zhejiang is 4.49. There are 89.7 percent of the respondents in both provinces chose ‘significant’ or ‘greatly significant’. Comparing with another two actors, local governments play a more leading role in harmonious labor relation construction.

(2) The Implementation of “Labor Contract Law” Is Positive for Stabilizing Labor Relations.

Since Labor Contract Law was implemented in 2008, the national labor disputes cases reached a sharp increase and then went up steadily. In Guangdong Province, the number of labor disputes identified in 2008 is 2.73 times of that in 2007. It doesn't

mean the labor disputes appeared due to law implementation, but the labor disputes have got resolve channels. These labor disputes sued to court and arbitration committee and are processed, which just make labor relations adjusted, thus improve labor relations toward more harmonious.

Survey data analysis shows that respondents in both Guangdong Province and Zhejiang Province have significant differences on the item ‘Labor Contract Law has a positive effect to stabilize labor relations’. The mean is 4.03 in Guangdong and 4.34 in Zhejiang, all above the ‘comparatively agree’ degree. Although their means have significant differences, high positive effects are indicated. Most respondents believe that the implementation of Labor Contract Law is positive to improve labor relations.

Government regulation is to achieve a win-win balance between employees and employers. As long as labor disputes are reasonably controlled, it can’t be called depravation even dispute cases increase. ‘Labor Contract Law’ makes government regulate labor relations according to the law, which can stabilize labor relations in law system.

(3) The Improvement of Labor Relations Contributes to Foreign Investment.

With the reform and opening policy, China economy achieves rapid development. The main task for government is to attract foreign investment and to develop private economy. Enterprises in China mainly rely on cheap labor to gain international competitive edge. Local governments regard economic development and enterprise survival as top objectives, and some local governments even take indifferent attitudes on employee rights infringement events. As a result, delay or unpaid wages occur. The main reason is that local governments fear to implement labor relations

legislation strictly, as local business development and investment will be affected negatively.

But the survey data show different results. ‘Strict implementation of labor regulations will affect investment negatively’ can’t be treated as a preventing factor. The mean is 2.83 in Guangdong Province and 2.65 in Zhejiang Province by respondents respectively, which means they disagree with the statement and no significant differences between two provinces. 53.9 percent of the respondents in Guangdong Province and 51.3 percent in Zhejiang Province chose answer ‘Total disagreement’ and ‘Disagreement’.

Perceptions on The Tripartite Consultation Mechanism

The perception about local tripartite consultation mechanism contains 16 items, such as ‘whether local tripartite consultation agency organized yearly consultative meetings’ and ‘whether local tripartite consultation agency is operated by full-time staff’. Through independent-samples T Test, there are significant differences in 13 items. We summarized differences and similarities in three aspects.

(1) The Role Effects of Tripartite Consultation Mechanism Have Significant Differences During Constructing Harmonious Labor Relations.

Tripartite consultation mechanism has been long regarded effective to regulate labor relations and consistently supported by ILO. The practice of tripartite consultation mechanism has also brought out good results in western countries. Although in recent years, such mechanism has been greatly developed in China, diverse parties have various views on the effectiveness of tripartite consultation mechanism. There are differences on the tripartite consultation mechanism between Guangdong Province and Zhejiang Province.

From the personnel cognition, officials in both Guangdong Province and Zhejiang Province believe that tripartite consultation mechanism plays a role in building harmonious labor relations. But the survey data shows two provinces' officials hold greatly different opinions. The mean of respondents in Zhejiang Province is 4.22, which means the role of tripartite consultation mechanism playing in building harmonious is important. On contrast, the mean is 3.74 in Guangdong Province, between normal and comparatively important.

(2) The Operation of Tripartite Consultation Mechanism in Zhejiang Is Better Than Guangdong.

Difference how not only on cognition of the importance of tripartite consultation mechanism, but also on the actual operation condition. Survey data show that Guangdong and Zhejiang have significant differences in the establishment of tripartite consultation mechanism agency, professional operation, regular meeting organization and meeting number. In all, Zhejiang is better than Guangdong.

For the establishment of tripartite consultation agencies, the mean in Guangdong Province is 3.73, and Zhejiang Province is higher as 4.41. It shows that tripartite consultation agency of Zhejiang Province is more complete than Guangdong. The operation of tripartite consultation agency in Zhejiang Province is better than Guangdong with 3 or 4 conferences a year in Zhejiang and 1 or 2 conferences in Guangdong, which also explains their differences.

(3) The Characteristics of Resolving Collective Labor Disputes

The tripartite consultation mechanism role in resolving labor relations disputes is beyond no doubt. In China, other organizations such as administration, labor

inspection, arbitral institutions, court, NGO, social adjustment agency and enterprise internal organization, also play pivotal roles in resolving labor relations disputes. There is no significant difference between Guangdong and Zhejiang. Compared with western disputes resolution mainly based on tripartite mechanism, two provinces' systems are more diversified and characterize in Chinese condition.

Among those organizations effects, officials in both provinces believe that administration, labor inspection, arbitral institutions and court play more important roles than NGO, social adjustment agencies and enterprise internal organizations in resolving labor relations disputes. This indicates that government actually plays a leading role in building harmonious labor relations.

Cognition on Local Legislations and Collective Labor Relations

Cognition on local legislations and collective labor relations contains 29 items, such as 'workers, especially the new generation, their rights awareness and collective consciousness have awaken', 'the focus of collective labor disputes has changed from right disputes to benefit disputes'. With independent-samples T Test, there are significant differences in 3 items between Guangdong and Zhejiang.

(1) Officials in both Provinces Are Positive in Local Labor Relations Legislations.

Cognition on the legislation from respondents in both provinces has no significant differences. They strongly support labor laws legislation. According to survey data, 'Trade Unions Organization Act', 'Collective Bargaining Act' and 'Collective Dispute Resolution Act' are warmly welcomed and receive means above 4, which shows most respondents hope laws and legislations improved.

As superior labor laws have not been modified, based on the current local situation, two provinces have amended the original 'collective contract regulations'. In

November 2010, Zhejiang Province revised ‘Zhejiang collective contract regulation’ formulated in 1998. And Guangdong Province set up ‘Collective Contract Regulations’ in September 2014, which settled wage collective negotiation mechanism and collective dispute settlement provisions. In the collective disputes settlement, Guangdong Province is to establish ‘collective negotiation roster of experts’ system to introduce social forces to improve the administrative mediation mechanism.

However, interview data in Haining and Haiyan from Zhejiang Province shows that local officials of human resources department and social security don't support all the legislation related to labor laws. They are concerned that mandatory provisions of the labor law might damage enterprises operation autonomy. For example, they prefer to accept voluntary system to deal with collective bargaining, which means local government are not involved into collective bargaining. There are successful cases in Haining and Haiyan in the SMEs.

(2) Present Collective Contracts in Guangdong and Zhejiang Are Formalistic.

Using independent samples T-test, the analysis result shows that Guangdong Province and Zhejiang Province have a significant difference in the item of ‘whether the quality of collective contracts published by human resources and social security systems is consistent to actual situations’. The mean of Zhejiang Province is 3.14, while Guangdong Province is only 2.51. It indicates that actual situation of collective contracts in both provinces are not positive. And serious formalism exist in the collective contracts. In the survey data of Zhejiang Province, it shows that some counties’ signing rate of collective wage negotiations is 80 percent, but only 30

percent are true. The signing rate of collective contracts is much higher than the effective rate.

(3) There Are Significant Differences between Trade Unions of Guangdong and Zhejiang Province.

After analyzing interview data, we find that most enterprises are small and medium-sized in Zhejiang, and sector unions and joint unions are dominant. For example, there are six sectors in Haining city of Zhejiang Province, while 6 sector unions play important roles in wage collective bargaining. In terms of sector union status, there are significant difference between Zhejiang and Guangdong provinces. When asked “in your opinion, which level of union functions and status need to be strengthened in order to construct harmonious labor relations”, 68 percent of respondents in Zhejiang Province chose the sector unions, but only 46 percent of respondents in Guangdong Province chose the sector unions. Differences in cognition on sector unions not only reflect firm size and sector types, but also reflect regulation methods. In this aspect, Zhu (2008) finds collective negotiation in Zhejiang Xinhe sweater industry realistic, native, derivative and institutional. The negotiation process is just like cooperative game process between employers and employees. It starts from Prisoner's Dilemma to Pareto Improvement and finally arrives at Pareto optimal. Wen (2011) believes that this type of collective negotiation helps to form national internal mechanisms from the disorderly fight to orderly compliance.

Cognition on Regulation Environment of Labor Relations

Cognition on regulation environment of labor relations consists of 2 open questions, including ‘at present, what shall we do in order to effectively protect labor rights’ and ‘in your opinion, what reasons initiated collective action in recent years’. Using

independent-samples T Test, there is one significant difference in a question between Guangdong and Zhejiang.

(1) Using the Media Rationally

There are two channels to understand labor disputes and their results, one is media reports, the other is statistics data published by government. Most people get understood about labor disputes mainly through media, including Internet. Prompt, realistic and multi-dimension information have positive effects to resolve labor disputes.

In the survey, officials agree to take advantage of media in order to effectively protect labor rights, supported by 55 percent in Guangdong and 32 percent in Zhejiang. Officials' options in two provinces are significant different. In the interview, they totally agree that media reports can accelerate labor disputes resolution through increased pressure on government, but officials in Guangdong also express their concerns on negative effect of media. They mention the famous strike happened in Nanhai Honda in 2010, which media played an important role in intensifying the conflicts between employees and employers.

(2) Having Rational Opinions on Collective Actions

When asked 'what is your opinion on reasons initiating collective action in recent years', officials' answers in two provinces have no significant difference and tend to be rational. 94 percent of respondents in Guangdong and 97% of respondents in Zhejiang hold the view that most collective actions in recent years are naturally economic conflicts between employers and employees. Few officials regard them as political events or maintaining stability events with political aspirations. Officials in

two provinces are more willing to see labor disputes as economic problems, helpful to create a more relaxed political environment for labor dispute settlement.

DISCUSSION AND CONCLUSIONS

Based on the analysis of survey data from 161 respondent officials in Guangdong and Zhejiang who are responsible for labor relation regulation, we get three conclusions.

First, officials' cognition of both provinces on labor relations is significant the same. That is, the overall harmonious level of labor relations and effectiveness of government regulation are the same. They agree that awareness of labors rights and the popularity of new communication media make the confidence of labor rights protection strengthened. The impacts of labor relation on economy and society are increasing. In especial, media impacts of labor relations on society and employees' psychology are deepened and diversified.

In terms of controllability of labor relation conflicts, respondents of both provinces evaluate it under control. They conclude that labor relations are harmonious in general. These indicate that officials' cognition on labor relations become more rational and officials are more confident on labor relation regulation. They also identify the leading role of government in constructing harmonious labor relations, and agree with the effectiveness of Labor Contract Law and other labor law regulations to stabilize labor relations.

Second, statistical data of labor relation disputes show a different economic structure, migrant workers characteristics, tripartite mechanism, media effects and union configuration. In terms of economic structure, Guangdong Province economy is typical export-oriented and mainly depend on foreign capital, international markets and cheap labor of China mainland. It is valuable to point out that, a large number of

enterprises have been invested by Hong Kong, Taiwan and foreign multinationals in Guangdong. Those are the OEMs relying on overseas orders. Labor-intensive industrial structure determines them located in the lowest end of global value chains, which makes them inevitably control their labor cost and welfare. With new generation employees' demand changing, they are not willing to accept low wage as well as poor working condition, and conflicts between employees and employers appear more and more. As for Zhejiang Province, equally a economically developed region, its investment mainly comes from local people. Without the pressure from international market, Zhejiang employers can negotiate with employees to meet the market demand. In interview data, more than 90 percent Zhejiang enterprises are private, more than 80 percent of which are small and medium. Different economic structures lead to different levels of profit earning. In Zhejiang private enterprises, the Chinese culture "Zhongyong" (means harmony) influences the labor relations under control within enterprises.

Of course, there are other factors that also stimulate labor disputes. Migrant workers are fewer in Zhejiang than those in Guangdong. Thus, workers have social network with other employers in Zhejiang, which makes conflicts between workers and employers easily solved based on kinship.

Comparing with Guangdong Province, Zhejiang government emphasizes the tripartite mechanism and media effects. Government strengthens the role of tripartite mechanism and is good at using the positive side of media. Based on the survey data, Zhejiang is not only better than Guangdong in establishing and operating tripartite consultation mechanism, but has a more profound understanding its important role. As for media, Guangdong media are relatively open and free. Instant news about labor

disputes can be transferred quickly, and local governments respond quickly also. But Guangdong lacks positive media news, making the impression on labor relations in Guangdong is very serious.

We find role of trade union is a leading factor to data differences in Guangdong and Zhejiang. Sector unions organized by local governments play important roles in Zhejiang wage collective negotiation. Both employees and employers understand justice wage level, so it is possible to reach agreement between them and achieve cooperation. And province governments seldom intervene during the negotiation process. In conclusion, various reasons contribute to data differences between Guangdong and Zhejiang. However, government regulation makes labor relations balanced. Labor relations are under government control if such a balanced is not broken. Data on labor disputes cannot interpret labor relation deterioration.

Third, both provinces have many similarities on collective labor relations. Officials in both provinces support collective labor relation legislation, and they agree that collective labor relation legislation is positive to stabilize labor relations.

In reality, province governments of Guangdong and Zhejiang have issued acts on collective contracts in terms of index so collective contracts are seriously formalistic in both provinces. These formalistic collective contracts are a great waste of administrative resources and have little effects on improving labor relations.

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