

STATE AND KNOWLEDGE  
PRODUCTION: INDUSTRIAL  
RELATIONS SCHOLARSHIP  
UNDER CHINESE CAPITALISM

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CAPITALISM**

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## **Abstract**

We use the evolution of industrial relations scholarship in China to study the role of the state in the process of knowledge production. In the course of the last decade the policy of the Chinese state has shifted from promoting a flexible labour market as part of an export-led growth strategy, to addressing problems of growing labour unrest. This shift has, however, yet to be reflected in research and teaching of industrial relations. Drawing on an archive of over 7,000 articles published in Chinese-language journals, we show that the industrial relations field has failed to cohere in China as it did in North America and Western Europe in response to similar pressures in the middle decades of the twentieth century. Chinese research on labour issues is divided between a practice-orientated human resource management literature and a sociological approach which is isolated from practice and policy. We explain this pattern in terms of the distinctive nature of Chinese capitalism, which manages to be simultaneously state-encompassed yet individualistic, leaving little space for the collective institutions of civil society which have been the focus of industrial relations research in the west.

**JEL Codes:** J41, J83, K31, O43

**Key words:** encompassing state, knowledge production, industrial relations, management education, civil society

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## 1. Introduction

An organized field of knowledge must build models of the world it describes. In the social sciences, which study society in the midst of its own transformation, changing paradigms reflect a subject-matter in constant flux. The study of labour and work is no exception. In North America and Western Europe, labour problems such as wildcat strikes, high turnover, and union militancy gave rise to a distinct field of industrial relations (IR) research in the middle decades of the twentieth century (Frege, 2007; Kaufman, 1993). Universities established stand-alone units devoted to IR teaching and research in this period. These initiatives were supported by states through the direct resourcing of IR scholarship and indirectly through the framing of issues of labour policy in terms consistent with the underlying premises of IR research.

A core premise of the IR field was that labour relations should be governed at the level of civil society, through self-organizing associations of workers and their equivalents on the side of capital, with the role of the state essentially being one of support for these collective institutions (Dunlop, 1958). Where collective bargaining could take root spontaneously the state would facilitate its operation. Only where that could not be achieved, in sectors or industries lacking the basic ingredients for self-organization, did the state set pay and conditions of employment directly (Kahn-Freund, 1959). Thus while individual contracting over the terms of the wage-effort bargain was actively suppressed in favor of collective procedures, the state did not determine market outcomes, except as a second best solution (Wedderburn, 1991). There were variations on this theme across different countries which were reflected in a greater or lesser role for state control through measures such as labour laws and incomes policies (Hepple and Veneziani, 2011). Allowing for these variations, however, the preference for collective bargaining was the lode-star of labour policy in the global north between the 1950s and the 1980s, which was also the heyday of IR research (Kaufman, 1993, 2012).

From the early 1980s onwards, state support for collective bargaining in North America and Western Europe went into reverse. During the same period the IR field began to fragment, with the previously marginal sub-field of personnel management moving to center stage, renamed as human resource management (HRM) and increasingly incorporated into organizational behavior research within a business school setting (Ackers and Wilkinson 2003; Whitfield and Strauss 2000). Stand-alone IR units have declined to the point of almost disappearing entirely in Britain and

the US (Kaufman, 2012). While IR continues to function as an interdisciplinary research field, uniting social sciences such as economics and sociology with related disciplines such as labour law and labour history, it has lost much its former unity of aims and methods. This ‘productive disintegration’ (a term applied by Collins, 1997 to labour law but equally applicable to IR) has allowed the field to maintain its vigor as a knowledge domain but has also gone hand in hand with a decline in its influence over the formulation of policy.

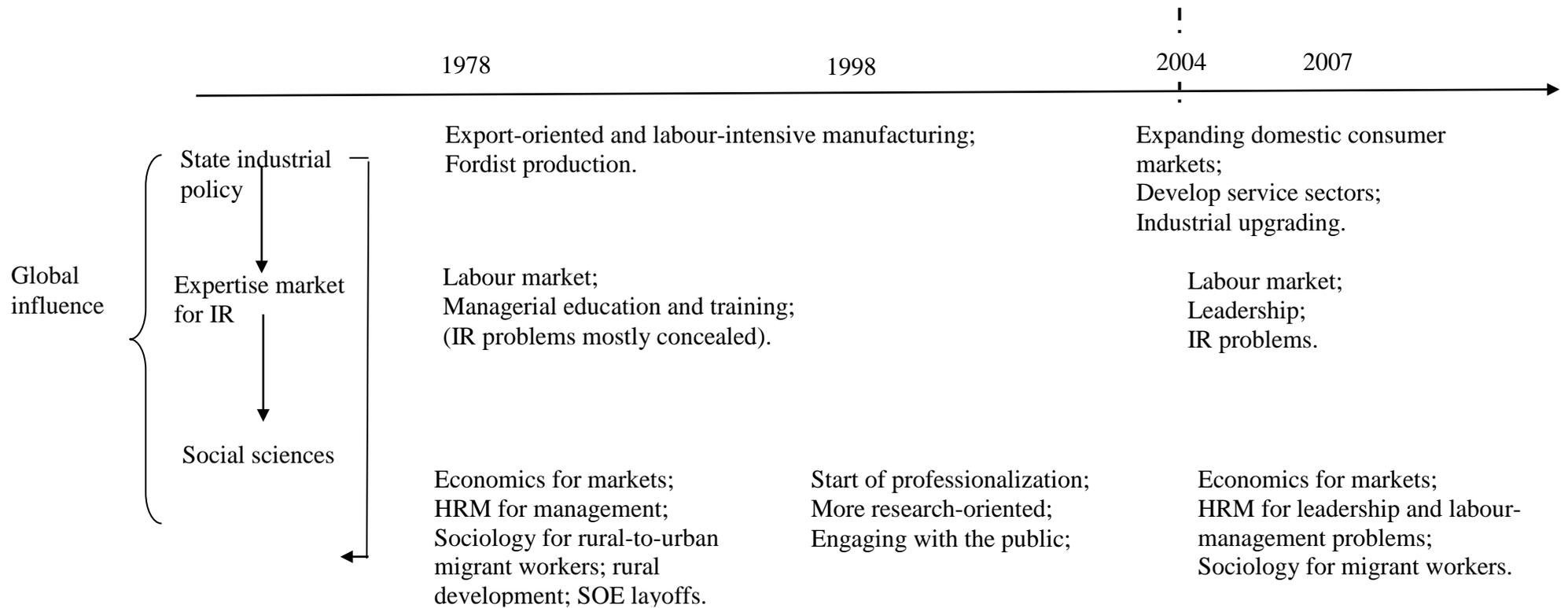
China’s developmental pathway is very far from replicating that of North America or Western Europe, so it would be no surprise to find that its trajectory of IR research reflected the distinctive features of Chinese capitalism. However, the contours of IR research in China have yet to be properly mapped. We aim in this paper to fill that gap and to draw out wider lessons for the understanding of China’s transition to a market economy.

Over the past decade China has been transforming itself from a labour intensive economy trading on its comparative advantage of low wage costs, to a rapidly maturing industrial society. This change has been accompanied by a sharpening of the conflict of interest between management and labour. There are no reliable or official data on the number of strikes in China, but the number of registered disputes rose from 48,121 in 1996 to 641,202 in 2012. Such an increase might have been expected to create a demand for IR expertise. The IR academic field, however, remains in its infancy. There are no peer-reviewed IR journals. While there is a recently founded association of IR scholars, it is largely inactive. The three stand-alone IR units in Beijing reflect a socialist legacy of training of government and party cadres in labour matters.

The Chinese state has played a preponderant role in academic knowledge production throughout the transition period. However, this factor alone cannot account for the slow development of an IR field. During the same period, other social sciences have achieved unprecedented growth, in terms of an increasing number of stand-alone academic units, a growing population of social scientists, further sophisticated methods, and a greater willingness to investigate politically sensitive issues. Responding to the need for managerial expertise in a market economy, the number of MBA programs grew from zero in 1990 to 236 by the end of 2011 (China National MBA Education Supervisory Committee, 2012). Less practice-orientated social science fields have also grown quickly. The number of sociology departments increased from three in 1983 to 94 in 2011

(Chinese Sociological Association, 2012). Examination of peer-reviewed journals and course syllabuses shows that China-based social scientists have increasingly been exploring social movements and democracy (see below). Thus the underlying assumptions, theories, methods and citation patterns of Chinese social sciences do not support the simple argument of a suppressive state.

**Figure 1: Theoretical Map**



How then can we explain the slow development of the IR field in China? Figure 1 visualizes our argument. In a first phase between the 1980s and the mid-2000s, the state mobilized cultural and material resources to accommodate a developing market economy (Nee and Opper, 2012), in particular by promoting labour-intensive manufacturing for global markets. In the course of legitimating emerging forms of private enterprise, this policy created a demand for HRM expertise in business schools, which led to the development of a distinct academic template with ‘Chinese characteristics.’

The second phase began in the mid-2000s when state policy shifted to building labour institutions deemed to be necessary for reconciling economic growth and social stability. In this period, market demand for IR expertise grew, but supply remained limited. It was HRM scholars who, in this period, made the running in response to the needs of business and government alike for IR expertise. Throughout both stages, sociologists conducted extensive empirical research on matters which include rural-to-urban migration, layoffs in state-owned enterprises, the role of trade unions, and labour movements. This type of expertise was, however, mostly confined to the academic community, and was not paid serious attention by government and business actors.

We draw two conclusions from our analysis. The first relates to the role of the state in knowledge production. The state is an active player which can shape disciplinary fields by resourcing research and altering policy priorities. As a result, the state mediates the response of social science disciplines and paradigms to a changing economic and social context. In the Chinese context, the influence of the state is illustrated by the way that IR research and teaching has reflected changing state policies on labour issues.

Our second conclusion concerns the nature of Chinese capitalism. There has recently been considerable debate around the contention that China’s model is one of ‘capitalism from below’ (Nee and Opper, 2012) and that the Chinese state, far from promoting market-led economic growth, has mostly impeded it (Coase and Wang, 2012). In this context, our argument is not that the interventions of the Chinese state have always been functional to the development of capitalism. Rather, we aim to show, using the IR field as an illustration, how China’s developmental path has been shaped by the legacy of an ‘encompassing’ state which has left insufficient space for autonomous institutions of civil society.

Thus in a changing global and domestic market environment, China's pivot away from labour market flexibility policies and towards the creation of a 'harmonious society' in the last decade has given rise to a fundamental contradiction: the creation of effective mechanisms for addressing labour unrest and social fragmentation presupposes collective institutions at the level of civil society which do not yet exist and may never develop to the point achieved in Western Europe and North America in the middle decades of the twentieth century. The absence of an IR field reflects the under-development of genuinely autonomous and representative institutions for mediating labour-management conflicts in China.

We can also see at work in China a further negative effect of an encompassing state, which is there is no clear boundary between the private space of the market and the public space of government. In a period of market-oriented economic reform, it is the market which infiltrates the state, a process which sees the interplay of private interests taking precedence over the production of public goods. Academic research, quintessentially a public good produced by or with the encouragement of the state, is subjected to pressures for commercialization which undermines autonomous knowledge production. The result is a greatly expanded HRM field, targeted at the needs of private business, and an under-developed IR one.

The rest of the article is as follows. We first review relevant literature on the state and knowledge production. Then we introduce our research setting by summarizing the trajectory of Chinese industrial relations. A following section considers the relevance in this context of the individualization process in China. The next section describes our data and methods, including analysis of data relating to published academic articles, analysis of state-funded research projects, and interviews with academics and practitioners. In our concluding discussion we highlight our contributions to understanding of the role of the state in knowledge production and of China's distinctive pathway to capitalism.

## **2. The Role of the State in Academic Knowledge Production**

There are many aspects of organizational practice under capitalism, from the development of large corporations and internal labour markets to the formulation of market architectures, which cannot be understood in isolation from the role of the state (Deakin and Wilkinson, 2005; Roy, 1997; Fligstein, 2001). The state can mobilize both material and cultural resources to implement its policy agendas (Kalev, Shanhav and De Vries, 2008). Knowledge production in social sciences is an important but often overlooked illustration of the state's role in constructing markets. Social science knowledge conveyed through academic publications provides an account of practice in a given time and place while also theorizing its origins and effects. The interplay between social scientists, the business community, labour organizations and state officials provides the context in which relevant participants make sense of events while framing attempts at joint problem solving.

The history of the social sciences suggests that the state can influence knowledge formation of this kind by assigning resources with a view to creating academic units dedicated to particular research fields (Abbott, 2001; Steinmetz, 2010). The rapid growth of the IR field in the post-World War Two period in the west is a case in point (Frege, 2007). Addressing the need to understand disputes in areas of contentious labour-management relations, many US states provided land-grant universities with the means needed to establish stand-alone IR schools or departments. An example of the lasting effect of state sponsorship is the founding of the School of Industrial and Labour Relations at Cornell in the 1940s. In Britain, a government-funded research agency, the Social Science Research Council, supported the establishment of the Warwick Industrial Relations Research Unit in the 1970s.

More indirectly, the state can affect the formation of social science knowledge by reshuffling policy priorities and thereby creating new niches for expertise. For example, the passage of the 1980 Bayh-Dole Act in the US saw universities rush to commercialize academic research conducted with the aid of federal funding, and to encourage many scientists to become entrepreneurs (Stuart and Ding, 2006). This change not only affected the science community, but also provided a new empirical setting for management research on innovation and entrepreneurship. Another example is the worldwide diffusion of market-oriented reforms (Henisz, Zelner, and Guillén, 2005) and the associated rise of economics as a globalized discipline (Babb, 2001; Fourcade, 2009). Policy changes often open up new subject areas or disciplines,

requiring distinct problem-solving skills. When scholars from cognate disciplines compete with one another to extend abstract knowledge and methodological skills sets to newly recognized problems, they may enhance their individual reputation at the same time as enlarging the reach of their research field. The consequences of such rivalry may include the creation of new disciplines or sub-fields, although it is also possible that new problems and paradigms are absorbed into the knowledge system of an existing field (Abbott, 1988). An illustration of these effects is the impact on British IR research and the career paths of individual researchers of successive government-sponsored policy commissions and boards of inquiry throughout the period between 1945 and the beginnings of the end of cross-party consensus on labour relations in the early 1980s (Ackers, 2014; Bogg, 2015).

By highlighting the direct and indirect influence of the state over the process of knowledge production, we do not mean to suggest that the state literally commands or determines scientific findings. The capacity of state actors to fashion research outcomes is limited in the light of pressures among scholars to observe academic norms in the organization of research, while academic professionals, in their turn, may be capable of co-opting state to their own research and policy agendas (Guillén, 1994). For example, the privatization waves which began in Latin America in the 1980s and the former socialist systems in the 1990s owed much to the knowledge production practices of neoliberal economists who fundamentally reshaped policy-making routines and approaches in those countries (Babb, 2001). The training of economists according to a largely North American template informed the worldwide consensus on the desirability of policies of deregulation and privatization in the early 1990s (Fourcade-Gourinchas and Babb, 2002; Fourcade, 2009). In a similar way, although the rise of management education through business schools in the US often failed to accommodate to needs of large American corporations, the business school template did have an impact on the business community, as the MBA became a mechanism of credentialization (Khurana, 2007). Thus the relationship between the formation of state policy, on the one hand, and the response of disciplines and of individual academics within them, on the other, has generally been an interactive one, and as we shall see, this is true of China too.

### **3. The Trajectory of Chinese Labour Relations**

One of the first acts of the Chinese Communist Party (CCP) after it took power in 1949 was to reengineer labour relations into an overarching socialist system, under which all firms became state- or collectively-owned, with the aim that they should fulfil social and political functions alongside their economic ones (Frazier, 2002). State-owned enterprises (SOEs) recruited exclusively from urban residents and maintained effective social control by rationing access to the means of subsistence including food, clothes and education (Walder, 1986). Lifetime employment within a single firm was the norm and managerial autonomy over pay and promotion was limited. In return, workers were expected to demonstrate political loyalties in a wide variety of settings, ranging from productivity campaigns to political initiatives. At its height, this system placed economic opportunity, social identity and political mobility under effective state control through SOEs.

While this policy was successful in mobilizing limited resources for a series of industrialization programs during the period of international isolation, its implementation involved the suppression of traditional forms of social organizations bridging individuals and society, including kinship relations, religions, business associations, and locality-based networks. Because most urban residents were guaranteed a job in SOEs, industrial firms and other work units became the only viable organization for their livelihood, identity, and social support (Walder, 1986; Frazier, 2002). IR came directly under the control of the state apparatus, with little space for mediation through autonomous organizations.

China's entry into the global market after 1978 was accompanied by reforms which allowed the emergence of a private sector which would compete internationally on low wage costs and fast turnaround for export. By the early 1990s, SOEs became an important target of reforms which aimed to eliminate lifetime employment and introduce labour market flexibility and managerial autonomy. Lacking capital and know-how, the state used tax rebates and other financial incentives to attract overseas investment; by contrast, its labour policy was largely confined to creating the conditions for an abundant supply of low-cost labour, through the easing of controls over rural-to-urban migration (Han, Zheng and Xu, 2014).

The downside of this period of rapid growth was rising labour unrest (Lee, 2007). Many newly-founded firms did not observe worker-protective labour laws which were in any case weakened at this time.

The restructuring of SOEs saw massive layoffs with little or no compensation (Cai, 2006; Hurst, 2009). While labour problems including the non-payment of wages, labour abuse, and exposure to hazardous workplace environments became increasingly common, a rhetoric of ‘skill development’ and ‘smashing the iron rice bowl’ characterized IR during this period, and saw investment in human capital, rather than social protection, as the means of resolving workplace tensions (Gallagher, 2005). The result, over time, was growing adversarialism in labour-management relationships. For example, in the 2006 Chinese General Social Survey (CGSS), 58.2% of individual respondents (N=6,013) agreed with the proposition that the conflict between employers and employees was fierce and had become a major social problem.

Policy began to turn around the time of the first reports of labour shortages and growing wage pressures in Guangdong province in 2004 (Economist, 2004). Despite opposition from parts of the business community, the state initiated a dual process of industrial upgrading and improvement of labour standards in the fast-growing coastal regions, a policy which led to the closure of several hundred firms in Guangdong province alone during the late 2000s (Butollo, 2014). This policy pivot led in due course to concerted attempts to build institutions which could embed a more ‘harmonious’ IR approach. Three labour laws which took effect in 2008, the Labour Contracts Act, the Employment Promotion Act, and the Labour Dispute Mediation and Arbitration Law, aimed to formalize the individual employment relationship, and to provide a floor of basic statutory standards in the areas of minimum wages, working time and dismissal protection (Cooney, Biddulph and Zhu, 2012). The growing practice of labour auditing by NGOs and multinational companies sourcing from Chinese suppliers further contributed to this change of direction in policy and practice (Lee and Shen, 2009). During this period, the language of corporate social responsibility (CSR) began to enter the business lexicon, a process encouraged by the state through regulations requiring disclosure of CSR performance by listed companies (Marquis and Qian, 2013).

When industrializing countries in the West undertook similar reforms to their IR systems in the early decades of the twentieth century it was against a very different background. In America and Western Europe the state and employers together had to accommodate a labour movement based on autonomous worker organization and, at its height in the decades after 1945, a shared occupational and industrial identity for wage earners. In the US, managerial ideologies, such as the ‘industrial

betterment' and 'human relations' movements, were a reaction to 'increasing unionization and strike activity' during this period (Barley and Kunda, 1992: 387-8). Falls in union membership during the 1930s were reversed in America and Western Europe in the post-World War Two decades, during which labour laws were constructed around the twin principles of state support for collective bargaining and the autonomy of the 'social partners' from direct governmental control. The dominant legal approach, characterized in America as 'industrial pluralism' (Dunlop, 1958) and Britain as 'collective laissez-faire' (Kahn-Freund, 1959), saw wage determination and dispute resolution as matters of industrial self-regulation, with the state holding the ring. It was in this period that IR reached its full maturity as a field devoted to the study of collective organizations of workers and employers and of the largely self-organizing system of wage determination and job regulation which they had created (Clegg, 1979; Kochan, 1980).

In China, by contrast, labour law reforms have not taken the form of an adjustment to the rise of autonomous movements of organized labour and capital; rather, they have been part of a process 'largely engineered' from above by the party-state (Lee, 2007). The state has acted both directly through its own mechanisms of administrative intervention and through the organizing efforts of the All-China Federation of Trade Unions (ACFTU). The latter, however, remains firmly embedded in the institutional framework of the party-state. Thus the goal of state policy, that of creating industrial 'harmony' and defusing conflict, may have been similar in China to the experience of the west a century ago, but the mechanisms in each case are completely different. The result has been a unique process of individualization of working life which in certain respects spans the socialist and reform periods.

#### **4. The Role of Individualization in the Transition to Capitalism**

The predominant role of the Chinese state in directing the economy since 1949 had the paradoxical result of reinforcing a strongly individualistic ethos, which arose from the suppression of the mediating institutions of civil society. Thus 'the various practices of Maoist socialism did nothing less than detraditionalize, disembed and reembed the individual, shifting the individual from an individual-ancestor axis in social relations to a new axis between the individual and the party-state' (Yan, 2010: 493). Trade unions, as already noted, were incorporated into the party-state system after 1949 and remained formally subject to, and integrated within, structures of state power after the beginning of market reforms. As such they were subordinate to objectives of social and economic

policy which were set by the state. Although official data report high and rising levels of union membership and growing coverage of collective agreements in the first decade of the 2000s (Liu, 2010), union effectiveness is still limited.

The market-orientated reforms which gathered pace from the 1980s induced further pressures for individualization. Workers could invest in their human capital through education either in China or overseas and were no longer subject to state assignment of jobs. However, a collective working class consciousness, of the kind which had characterized market economies in the West in the early twentieth century, did not develop. A shop-floor culture of 'time is money, efficiency is life' (Gallagher, 2005: 62) took hold. In the absence of an autonomous union movement, it was workers' connections to their rural families and kinship relations which provided a basis for a common identity among first-generation industrial workers (Perry, 1993; Han, 2008). Labour disputes took the form of 'localized, workplace-based cellular activism' (Lee, 2007: x).

The labour law reforms of 2008 can be understood as an attempt to diffuse labour conflicts. The state's efforts at reform in this area have been aimed at channeling disputes through formal mechanisms of dispute resolution: 'the law, fledgling legal institutions, and the rhetoric of legal rights are central to labour protests throughout China, even though very few workers actually believe in the effectiveness of the regime's ideology of law-based government' (Lee, 2007: x). The framing of labour disputes in individual, rights-based terms is part of a wider state policy of 'forcing the individual to be increasingly self-reliant, competitive and disembedded from the former paternalistic system of Marxist socialism' (Yan, 2010: 509). It is also consistent with the maintenance of controls over freedom of speech and expression which aim not so much as to curtail criticism of the party-state, as to 'reduce the probability of collective action by clipping social ties whenever any collective movements are in evidence or expected' (King, Pan and Roberts, 2013: 1). Predictions of the emergence of a working-class consciousness in China's fast-growing regions have so far failed to materialize: the Chinese working class has turned out to be 'less wretched and less heroic' than many expected (Lee, 2011: xiii).

Employer bodies have not developed autonomous organizations, either, even though some semi-governmental business and industry associations have been active in business lobbying (Deng and Kennedy, 2010). Compared with the rank-and-file workers, managerial elites have accumulated resources with which to socialize with one other and with

policy makers. The rise and rapid growth of business schools and a wide variety of executive training programs has created a unique social space for managerial interactions. For example, it has been observed that more than 30% of independent board members of publicly listed firms are management scholars (Li, 2014). The term of ‘networking’ prevalent in the US management education has been successfully tailored to the Chinese context (Liaowang, 2014). Networking in this sense has acquired a meaning which is distinct from the locally grown practice of ‘guanxi’ (Bian and Zhang, 2014) which has come to imply corruption and unethical exchange, in contrast to a business culture which highlights personal achievement. Thus in business circles too there has been a strong cultural emphasis on individualization.

#### **4. Data and Methods**

In order to get a sense of the landscape of academic work in IR in China, we first look to the content of peer-reviewed journals. Academic journals have long been employed by scholars to investigate particular disciplines and the interplay between academics and practitioners (Barley, Meyer and Gash, 1988; Guillén, 1994; Babb, 2001; Frege, 2007; Fourcade, 2009; Marshall, 2013). We supplement this with archival analysis of funded social science research projects, faculty profiles, conference agendas, blog entries and professional associations, and interviews with experts and practitioners on Chinese IR.

##### **4.1 Peer-reviewed journal articles**

Research on China has become a subfield in many social science fields, and many studies have been published in English-language peer-reviewed journals, following established paradigms (see Li and Tsui, 2002 and Zhou and Zhao, 2013 for a summary). However, in order to map the early stage Chinese IR scholarship, we need to study Chinese-language academic journals.<sup>1</sup> The two leading journals for this purpose are *Management World* and *Sociological Research*. *Management World* was founded in 1985 as a bimonthly journal by the Development Research Centre of the State Council, and became a monthly journal in 2002. As a general management journal, it covers topics such as strategy, financial markets, HRM, international trade, and SOE restructuring. *Sociological Research* is a flagship bimonthly sociology journal founded in 1986 by the Chinese Academy of Social Sciences (CASS). It has published a significant number of empirical studies on trade unions, SOE layoffs, rural-to-urban migrant workers, and their unrests, collective action, and job-search networks. Both journals are among the most highly-regarded

peer-reviewed academic journals in China for social scientists. The impact factor of *Sociological Research* was 3.621 as of 2014, among the highest for all social sciences and humanities journals. The impact factor of *Management World* in the same year was 1.949, among the highest for business and management.

We coded articles published in *Management World* from 1985 to 2011. We excluded 449 items including conference announcements, book reviews, and other matters from data analysis and focused on the remaining 5,663 scholarly articles. We used the same template to compile all articles published in *Sociological Research* between 1986 and 2011 and generated a list of 1,991 articles. For a total of 7,707 articles, we read the title, abstract, key words, and sometimes the complete draft to decide which subfield of management or sociology it belonged to. We use the category 'IRHRM' to refer to topics relating to typical HRM and IR research, including work activities, occupations, migrant workers, SOE layoffs, labour unrest, labour politics, and welfare and social insurance provision. For each IRHRM article, we coded its subject matters, methods, and theories. Table 1 summarizes these subject matters.

**Table 1: IRHRM Articles by Topics**

<b>Topics</b>	<b>Two Journals</b>	<i>Sociological Research</i>	<i>Management World</i>
Migrant workers	82	63	19
SOE	55	39	16
Working class	14	12	2
Insurance	59	38	21
labour market	94	25	69
Gender	15	12	3
Evaluation	9	0	9
HR	42	0	42
International	13	0	13
Job mobility	11	0	11
Labour standards	3	0	3
motivation	25	0	25
Managers	21	0	21
Salary	31	0	31
satisfaction	11	0	11
Others	76	42	34
<b>Total</b>	<b>561</b>	<b>231</b>	<b>330</b>

**Source:** *Sociological Research* (1986-2011) and *Management World* (1985-2011)

Social science research has a relatively short history in China, and the extent to which a journal or a social science field employs empirical methodology is therefore an important indicator of academic professionalization. We generated a dummy variable indicating whether an article employed empirical evidence, including survey, interviews, and archives. For articles using aggregate-level data to report a phenomenon but did not discuss its causes, processes, and consequences, we coded them as non-empirical.

Author affiliation constitutes another important indicator of academic professionalization. For each article, we coded author affiliation into one of three categories: government, university, and others (e.g., SOEs or think tanks). For an article with two authors from different affiliations, if one author was from government, we coded it into the government category. If an article was written by a university professor and a person from the ‘others’ category, we coded it into the ‘university’ category. For articles with more than two authors, we coded according to the affiliation of the majority of authors.

## 4.2 Other Data Sources

We used data on the number of registered labour disputes in *China Labour Statistical Yearbooks* to obtain a measure of labour unrest and militancy over time. We estimated the extent of the state's influence on IR research by going through historical records for two primary funding agencies. The National Planning Office of Philosophy and Social Science (NPOPSS) started systematically to fund social sciences and humanities research in 1991, and included management as funding field in 2010. The National Natural Science Foundation (NNSF) has public information on funded research since 1997, including in the field of management. We examined 4,046 projects funded by NNSF under the subfield of business administration and policy from 1997. For both funding agencies, we searched their databases using the following keywords: labour relations, labour, labour-capital, labour-management, migrant workers, unions, collective bargaining, layoffs, and corporate social responsibility. This resulted in 713 IRHRM projects by NPOPSS and 332 IRHRM (mostly HRM) projects by NNSF. For each of these 1,045 projects we gathered information on principal investigators and their affiliations.

## 4.3 A Note on Interviews

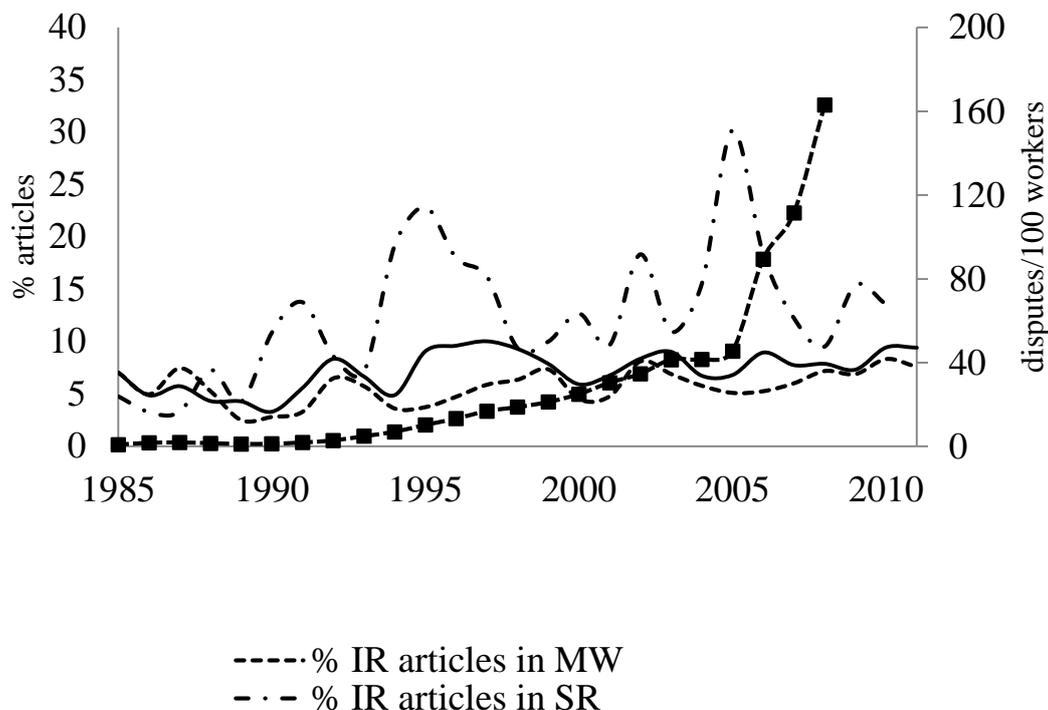
We also conducted interviews with social scientists in sociology, IR, law, political science, economics, and HRM in China and the US who are knowledgeable in Chinese labour issues. Because IR research is conducted by a small group of scholars, it is easy to identify who is who if we introduce our sampling strategy and the background of interviewees in detail. During a typical interview, we explained our interest to an interviewee and asked if there were any media reports regarding the IR scholars whom he or she mentioned, so we could use publically available information rather than interview data to support our arguments about individuals. Hence in what follows we are able to source our accounts from publically available information for the most part. We use interview notes where this is not possible.

## 5. The Contours of IR Research and the Organization of Social Science Disciplines in China

### 5.1 Trends in Peer-Reviewed Academic Articles

Among the 7,707 articles published between 1985 and 2011 in the two journals in our sample, 562 articles (7.3 %) are IRHRM-related. A breakdown of this number between the two journals suggests that sociologists are more interested in labour problems than management scholars. As Figure 2 shows, 11.6% of articles published in *Sociological Research* is IRHRM related, much higher than that in *Management World* (5.8%).

**Figure 2: IRHRM Research in *Sociological Research* and *Management World***



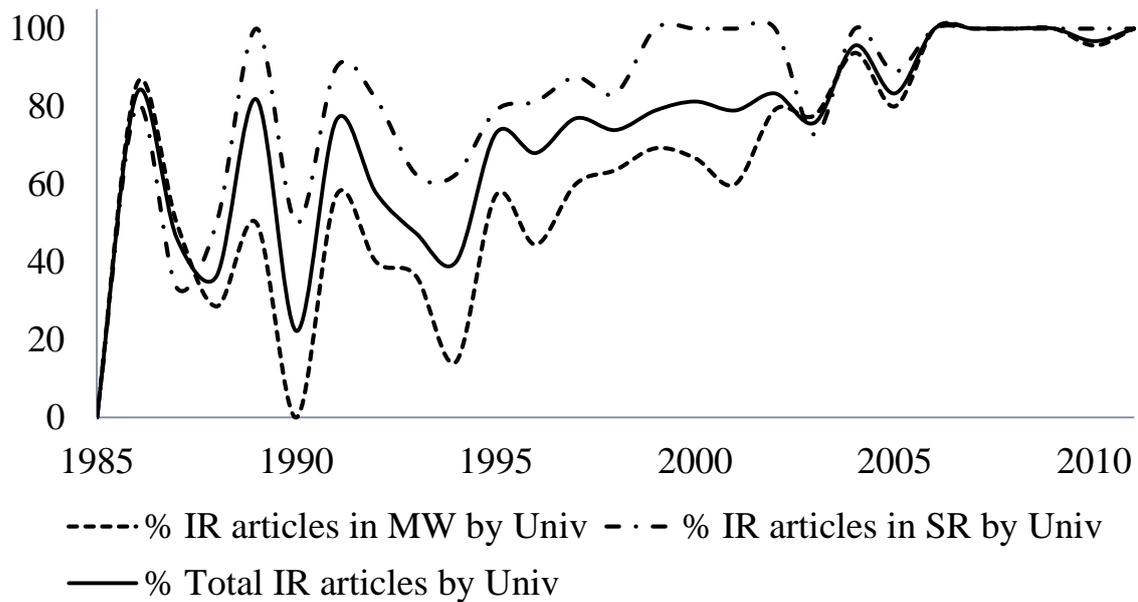
**Source:** Sociological Research (1986-2011) and *Management World* (1985-2011)

Over time, the percentage of IRHRM articles published in *Management World* remained relatively unchanged. This percentage in *Sociological Research* does differ by time. The late 1990s witnessed an increase in IRHRM articles, which coincided with the massive SOE layoffs. Content analysis of the 19 IRHRM articles published in *Sociological Research* in 1995 suggests that nine articles were relevant to employment relations in SOEs. Sociological research on migrant workers also reflects temporal variations: the year 2004 marked a high point of public awareness of labour shortage issues, and five out of seven IRHRM sociological articles published that year were about migrant workers.

Figure 2 also contrasts the percentage of IRHRM articles and the number of labour disputes per 1,000 workers. The number of labour disputes has increased considerably since 2001, but the percentage of IRHRM articles has not experienced a proportionate increase. A closer examination of the empirical IRHRM articles in *Management World* suggests that they focus on white-collars employees' psychological well-being, individual performance, and team efficiency. What has been overlooked is waged labour's subjective experience, the legitimacy of labour interests and power, and advocates for labour standards and worker voice. In contrast, the terms *labour*, *working class*, *conflict*, *grievance*, and *working conditions* are key words for IRHRM articles published by sociologists.

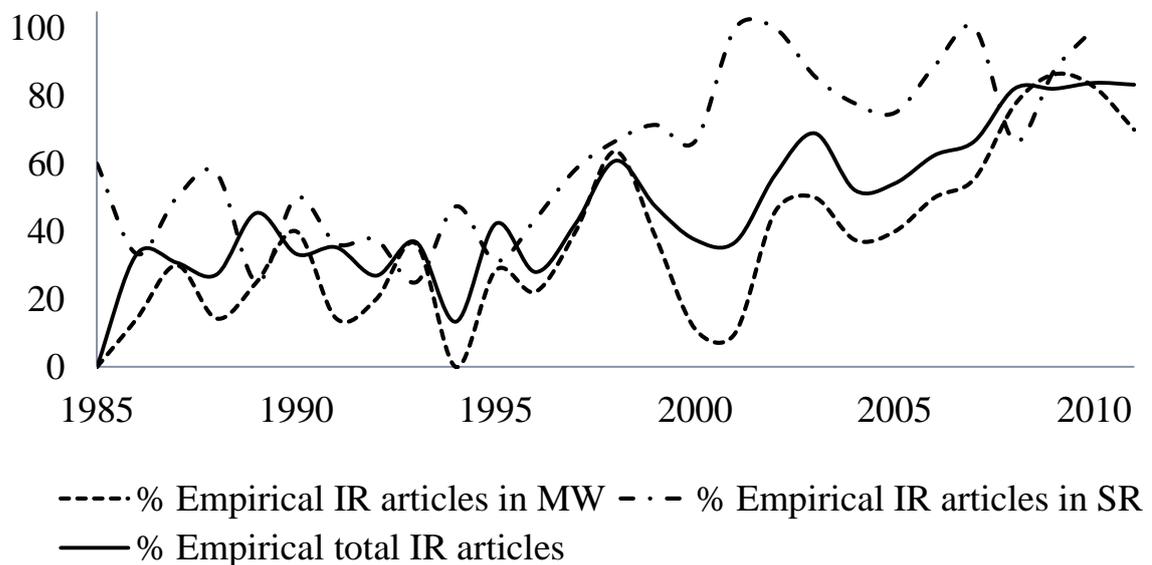
The changing configurations of authors' affiliation also reveal increasing academic professionalization. As Figure 3 reveals, in the late 1980s and early 1990s, university authors and non-university authors alternately took the lead. The political events of 1989 resulted in a temporarily sensitive period, and only 22.2% of IRHRM articles in 1990 were contributed by university professors, much lower than the 27-year average (78.7%). IRHRM articles published during between 1990 and 1992 prominently featured authors from semi-state organizations such as SOEs and think tanks, showing their commitment to the state agenda of economic growth and political stability. After several years' transition, the year 1995 marked a reversal, with the percentage of IRHRM articles by university authors reaching 73%. This trend continued to 96.7% as of 2004.

**Figure 3: Percentage of IRHRM Articles by University Authors**



**Source:** *Sociological Research* (1986-2011) and *Management World* (1985-2011)

**Figure 4: Percentage of Empirical IRHRM Articles**



**Source:** *Sociological Research* (1986-2011) and *Management World* (1985-2011)

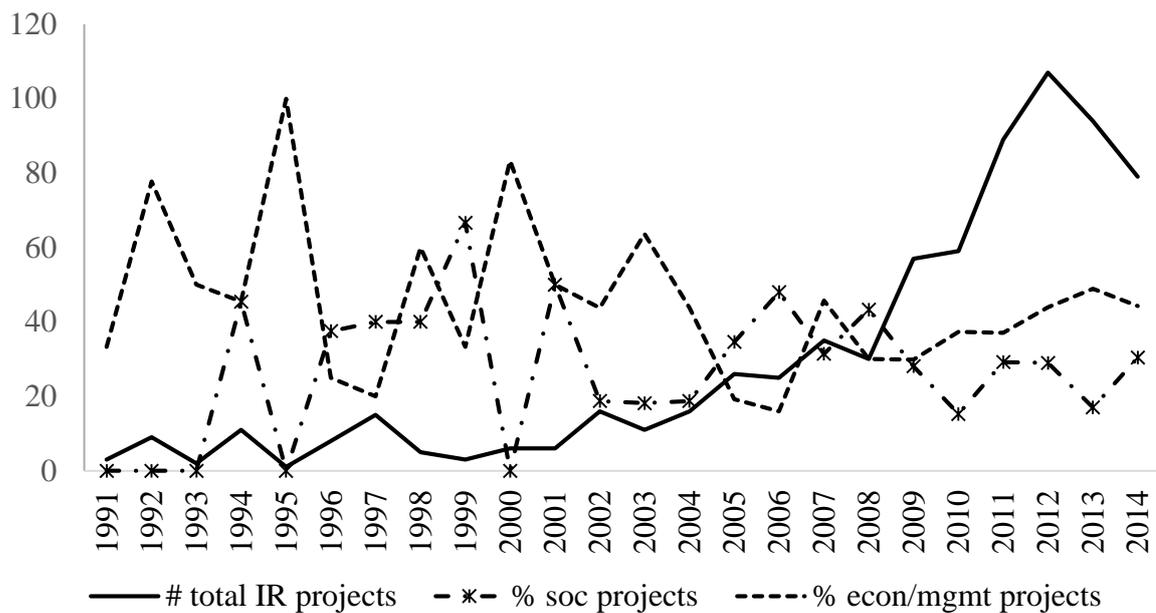
Empirical research is resource-intensive and time consuming and requires effective incentives. In the 1980s and early 1990s, university professors had lifetime employment. Teaching was their primary work, and empirical research was rarely seen as a norm or a major source of

prestige. This situation began to change in the late 1990s when the principle of ‘publish or perish’ as a concept was introduced and gradually implemented in selective disciplines at top universities. Figure 4 captures this trend. The percentage of empirical IRHRM articles in *Management World* fluctuated in the 1980s and 1990s. It was not until the early 2000s that the growth rate of empirical research stabilized. By contrast, the proportion of empirical IRHRM articles in *Sociological Research* is higher (61.9%) and maintains a gradual growth (85% since the year 2000). For the 143 empirical IRHRM articles in *Sociological Research*, 15 are based on archival data, 21 articles use qualitative methods, and the remaining 107 articles employ survey data.

## **5.2 Indirect State Intervention through Funding**

The slow development of an IR field cannot be simply attributed to state suppression. Instead, the state has increased funding for relevant research and solicited expert opinions in legislation and policy making. NPOPSS has so far funded 41,998 research projects in total, increasing from 604 projects in 1991 to 5,183 as of 2014. However, it only funded 713 IRHRM projects on topics of labour relations, labour, labour-capital, unions, collective bargaining, rural-to-urban migrant workers, and layoffs. Figure 5 summarizes these projects.

**Figure 5: Number of Funded Projects on IR Topics**

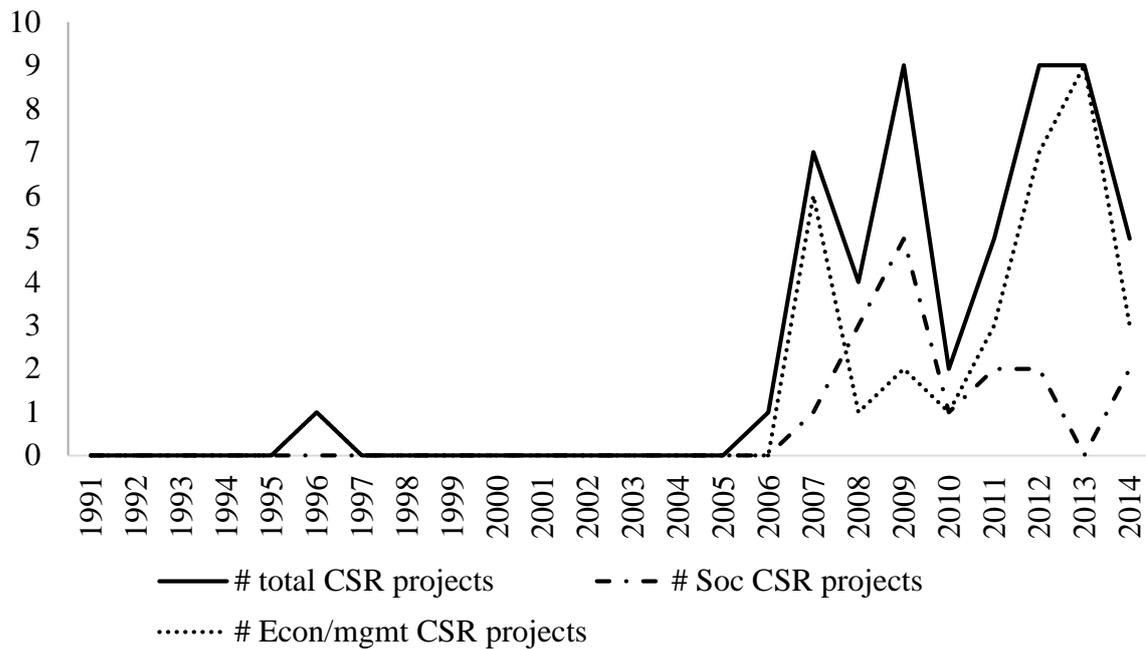


**Source:** the National Planning Office of Philosophy and Social Science (NPOPSS) database <http://fz.people.com.cn/skygb/sk/>

**Keyword search:** labour relations, labour, labour-capital, migrant workers, unions, collective bargaining, layoff, corporate social responsibility

Only 30% of these 713 IRHRM projects were funded before 2010 and the remaining 70% is a recent development parallel to the pro-labour legislation. Despite an increasing interest in IR, labour problems are by and large examined through an individual perspective. For example, only 16 of the 713 projects explicitly focus on unions, among which two are about philosophy, two examine historical cases before 1949, one reviews international experiences, one analyzes union-sponsored newspapers, and one integrates CSR and union activities. Only nine NPOPSS-funded projects are indeed about labour unions in contemporary China.

**Figure 6: Number of CSR Projects by Year and Social Science Field**



**Source:** the National Planning Office of Philosophy and Social Science (NPOPSS) database <http://fz.people.com.cn/skygb/sk/>

**Key word search:** corporate social responsibility

The adoption of worker-protective labour legislation creates demand for IR expertise. Management scholars and other social scientists have started to take up this opportunity since 2008. Likewise, burgeoning research on CSR follows the rapid diffusion of CSR reporting among large Chinese firms, which responds to the state agenda of building a ‘harmonious society’ (Marquis and Qian 2013). Of a total of 52 CSR projects in Figure 6, all but one was funded after 2006, when labour legislation began to be heatedly debated. The state has used public forums and academic funding to promote CSR in a way which signals a changing in rhetoric concerning the state-capital-labour nexus. In response, many firms have begun to publish annual CSR reports.

### **5.3 The Organization of Disciplines: Comparing Sociology, HRM and IR**

We now draw upon our interview evidence and archival research to present a more complete picture of developments in IR-related disciplines in China over recent decades. The development of both sociology and HRM research was facilitated by a combination of state initiative and international collaboration over this period. However, neither discipline provides a blueprint for the development of a distinct IR field in China.

#### ***Sociology***

International influence on Chinese sociology can be traced back to the early 20<sup>th</sup> century in the form of missionary support and war-indemnity rebates. Tsinghua University was founded in 1911 by the rebate on the Boxer Rebellion indemnity paid to the U.S. Yenching University was established in 1919 by missionaries with the financial support of the Rockefeller Foundation. It was merged into Peking University in 1952. At these and other elite universities, courses were taught in English by American professors, who influenced students to conduct empirical research on poverty. Americanized influence was uprooted, however, in the early 1950s, when private universities were prohibited and merged with public universities. All universities became publicly funded, and admission and job assignment upon graduation were strictly planned and carried out by the state. Social sciences with their ‘bourgeois idea’ were systematically suppressed, and sociology was completely abolished as a formal research field by the end of 1952.

China’s opening to the world in the 1980s experienced a revival of social sciences under the intertwined influences of the state and globalization. The founding of the first sociology program during the reform era gained support from Deng Xiaoping. In 1980, the Ministry of Education issued a policy (education policy #104) which approved the first sociology major at Nankai University in Tianjin. In addition, it commissioned Nankai University to host a special one-year training program in sociology with 43 junior students in social sciences and humanities registered at 18 leading universities across China. A few senior sociologists who had established their careers before 1949 also played a pivotal role. For example, Fei Xiaotong, a well-known sociologist and anthropologist trained in London School of Economics in the 1930s, invited colleagues from the U.S. and Germany to teach sociology in China as the reforms took hold. Peter Blau and Nan Lin were among these Faculty from the US, whose theoretical and methodological specialties fit in well with the

social and economic transition in China. Their teaching left a lasting effect, as social stratification, social networks, and work and occupations have since become major subfields. More recently, some sociology departments in China have collaborated with foreign scholars in summer programs. Even sensitive topics such as social movements and collective action have seen scholarly communications. The Sociology Department at Renmin University organized a summer program on collective action in 2007, lectured by prominent US-based sociologists including David Snow, Mayer Zald, and John McCarthy.

While incorporating western theories, Chinese sociologists also stress the notion of ‘problem consciousness’ to justify the existence of their field. Their research on labour problems speaks to this point. Faculty profiles at 19 PhD-granting programs in sociology suggest that IR has indeed become an important sociological subfield. On the basis of the publication record of *Sociological Research*, two IR research centers emerge: Sun Yat-Sen University in Guangdong Province, which is geographically close to areas with a record of labour unrest; and a small number of elite programs based in Beijing, at Tsinghua University, Peking University, Renmin University, and the Chinese Academy of Social Sciences. The four Beijing-based elite programs together contributed to 50% of the IRHRM articles in *Sociological Research* in the period of our study. A closer reading of the citations by these articles reveals three main research literatures: migration, social networks, and labour process. Alejandro Portes (1998), Mark Granovetter (1973), Michael Burawoy (1979, 1985), Gay Seidman (1994), and King Kwan Lee (1998, 2007) are among the scholars highly cited.

Increasing interest in labour problems since 2007 has not exposed the work of sociologists to the general public. Nonetheless, their scientific credentials within the academic community have been well received. 27% of NPOPSS-funded IR projects are in the field of sociology. However, half of all the 196 sociology projects on labour problems were granted to principal investigators who had neither received a PhD degree in sociology nor worked in sociology departments. One understanding is that sociologists’ contributions to understanding labour problems has gained the attention of funding agencies, and that scholars interested in labour problems have increasingly had to apply for funding under the sociology rubric, regardless of their own academic training. Faculty at the three main IR departments in China received NPOPSS funding via sociology. By specifying the affiliation of principal investors of all the 713 NPOPSS-funded projects in our sample, we were able to specify 27 projects conducted by professors at the three IR departments. Because

there is no designated field for industrial relations among NPOPSS's 26 funded fields, the field of sociology is in practice a major category for research conducted by IR scholars.

The impact of sociological research on labour problems was strengthened during this period in various ways. As one of the labour research centers, the sociology department at Tsinghua University has sponsored workshops for young scholars interested in labour problems since 2013. The department does not charge registration fees and covers transportation and accommodation for participants from across the country. The workshop agendas show that approximately 40 scholars from Beijing, Shanghai, and Guangzhou participated into at least one workshop. They presented empirical research on skill formation, labour process, labour NGOs, working class consciousness, labour reproduction, informal labour organizations, unions, and the relationship between the Chinese labour regime and outward foreign investment. One participant who was trained in IR commented:

I thought I knew a lot about IR, especially unions. But this workshop is an eye-opening opportunity. Many interesting topics such as vocational training, apprenticeship at the early 20th century, and skill formation helped me to better understand the IR field. ... .. I benefit from a lot from the comments on my methodology and how I could theorize my case studies of unions.

A cross-check of workshop participants, research funding principal investigators, and authors in *Sociological Research* suggests a geographical extension of sociological research into the Shanghai region. Shanghai is the center of the Yangtze River delta area with a booming private sector, but only received 17 NPOPSS-funded IRHRM projects as of 2014, six faculty members from six different universities in Shanghai participated in the Tsinghua workshops. Most of them had graduated from labour research centers in Beijing and Guangzhou and had landed their first academic position in Shanghai. A sociology professor who has been organizing research workshops nevertheless expressed this view of them:

I do not think we could be helpful in creating an IR field. We conduct scientific research on labour problems only from the perspective of labour and usually do not take capital into consideration. It takes at least two parties to forge a relationship.

## *HRM*

The global diffusion of the American business school template coincided with China's entry into the global market. To compete and cooperate with firms in other countries, Chinese firms needed business rules and managerial skills developed in western contexts. There was a perception that the socialist experience of personnel management and labour-management relationship needed to be replaced by HRM-based know-how (Warner, 2004). The Chinese state once again responded to this demand and initiated the first moves towards change. A stand-alone business school unaffiliated with any university, the China Europe International Business School (CEIBS), was established in the format of a training institute by the Chinese government and the European Commission in 1984, and officially became an independent business school in 1994. CEIBS has been very successful in recruiting MBA students in competing with top business schools affiliated with elite universities.

The state also played a direct role in training rank-and-file HRM professors at many second-tier business schools. Since 2000, the Ministry of Education and the China National MBA Education Supervisory Committee has commissioned the Business School at Nanjing University to organize annual workshop for professors who teach undergraduate and MBA courses in HRM. In the course of our participant observation of the 14<sup>th</sup> annual workshop in 2013, we observed that about 150 HRM scholars attended the workshop and shared information on teaching, funding application, and consulting services. The Ministry of Education also set up an open course platform to showcase the most popular courses in different fields in 2003. By 2015, 103 out of a total of 620 courses under the classification of business administration were HRM courses.

The state also supports management education by creating demand for it both directly and indirectly. Similarly to the US, MBA education and executive training courses in China charge high tuition fees, which few Chinese could afford before the mid-2000s. Extending the practice of selective sponsorship of continuing education for loyal and capable employees during the socialist era (Walder, Li, and Treiman 2000; Li and Walder 2001), SOEs and government agencies provided financial reimbursement for their eligible employees' MBA tuition in the form of part-time executive education courses. The early cohorts of CEIBS students were predominantly mid-career SOE managers in the financial sector. Business education soon became an important criterion for

promotion within SOEs, and this led to further demand for MBA and executive education courses from SOEs, governments, and the private sector. As a result, the number MBA programs grew from zero in 1990 to 236 by the end of 2011.

The fast growth of MBA courses did not come without a cost. Although the management field in China has achieved an early stage of academic professionalization, its unique characteristics have given rise to a number of problems. First, although paper counting in selective English-language journals determines junior professors' tenure, no effort is made to identify intellectual contribution in the form of sole-authorship versus co-authorship or the order of the authorship. As long as a professor's name appears in a published paper, it will be counted as her own contribution. This practice favors research topics which involved multiple authorship. It provides a natural fit with psychology-based leadership studies and with narrowly-focused HRM research. A common practice is for a US scholar to act as leading author and for Chinese scholars to contribute to data collection in China as a cross-cultural study. This approach is tending to squeeze out abstracted knowledge and conceptual advances which are important for building the field (Abbott, 1988). Without abstraction, the boundary between management scholars and business practitioners becomes permeable, undermining the academic profession.

Secondly, the focus on applied scholarship, while creating a space for management scholars to engage in consultancy, has seen a proliferation of profit-making ventures which threatens to undermine the professional status of HRM academics. Management scholars are uniquely able to capitalize on the conjunction of a traditional Confucian culture that emphasizes the status of teachers and scholars, with a more recent, Americanized business school culture which highlights leadership and strategic vision. Management scholars become convenient, 'safe' (in terms of state monitoring), and status-enhancing for the business professionals with whom they interact, facilitating socialization between government officials and SOE managers, on the one hand, and private entrepreneurs, on the other, through the medium of the business school environment.

Beyond the classroom, management scholars engage with the business community and policy makers through paid consultancy, commercial lectures, and membership of the boards of publicly listed firms, where they act in the capacity of independent directors (Li, 2014). A market has emerged to price this expertise by a scholar's rank, the status of her or his university, geographical proximity, popularity, and public profile.

Intermediaries including boutique consulting firms have lists of prices charged by client professors for lecture in firms, at golf clubs, or in resorts. According to a report by internet media company Sina (2009), an average management professor who supervises PhD students at a top university can charge between \$2,000 and \$4,000 for a commercial lecture. This price not only incorporates their professional expertise, but also recognizes their role in facilitating business-government socialization. Management scholars are thereby increasingly incorporated into the business community and its values and perspectives, a process which is not necessarily conducive to research in the IR tradition which stresses the need to understand the perspectives of both labour and capital.

A close look at faculty research at top HRM programs suggests that most of their research uses data collected in China to test psychological theories developed in the US context. Chinese 'culture' is often invoked as a catch-all explanatory factor for findings. Primary data collection was conducted among professional and managerial groups such as R&D personnel, managers, and other white-collar employees of large corporations. There is an emphasis on the examination of micro-level dynamics such as individual well-being, teamwork efficiency, group performance, compensation, and incentives. Much of the research relies on surveys conducted in MBA classes or originates from consulting for firms. There is very little research by HRM scholars on conflictual aspects of IR practice in China, including issues arising from rural-to-urban migration flows and the development of grass-roots labour protests. A review of boutique consulting firms' announcements suggests that some HRM scholars have moved into IR topics since 2007. Partially motivated by profit-making and status competition, some HRM scholars have founded HRM associations as registered NGOs, often with local government support. The first HRM association was founded in Guangdong Province in 2003. Around 10 further associations were founded in the following years. A government official usually acts as the official leader of such bodies, with a prominent local HRM scholar as the de facto leader. Encouraged by growing demands expertise in relation to labour dispute resolution, industrial upgrading, and anti-corruption political campaigning, these associations assume a dual role of providing social space and influencing policy making. They have developed routinized interactions among participants under the umbrella label of joint problem solving and addressing social responsibilities.

## *IR*

There are three stand-alone academic units in IR in Beijing which are a legacy of the socialist period. The leading one is the School of Labour and Human Resources which was jointly founded by Renmin University and the Ministry of Labour and Personnel (renamed into the Ministry of Human Resources and Social Security) in 1983. This school was a state effort to establish a training center for HRM professionals, and became an independent academic unit of Renmin University in 2000. It currently hosts five departments: labour economics, HRM, social security, labour relations, and job development and management. As in other universities, the economics and HRM fields at Renmin University have recruited a large number of students. The department of labour relations, however, only started to recruit Master's students in 2008, and was allowed to grant PhD degrees in labour relations only in 2011. At the Master's program level, labour relations admitted only 6 students in 2008, in comparison to the 61 students recruited by the HRM department. The numbers for the year 2009 were 3 and 67, respectively.

Another IR school is the China Institute of Industrial Relations (CIIR). Its predecessor was a training institute founded in 1946 for preparing CCP cadres to take over industrial sectors in the cities. It is closely linked to and influenced by the ACFTU. Its titles have changed over time. It was not until 1984 was this institute incorporated into the higher education system, with a role initially in continuing education. In 2003 it became a regular university for undergraduate education only and given its current title. Because of its CCP and ACFTU legacy, CIIR has been an incubator for trade union officials dealing with labour problems.

The third IR academic unit is the School of Labour Economics at the Capital University of Economics and Business (CUEB). This school was founded following the call of the then Ministry of Labour for the training of government officials with responsibilities for labour and personnel management. At that time in the 1950s, the Ministry leader was Li Lisan, who made his career by organizing the famous Anyuan Coal Mine strike in 1922. Although the school's title suggests a disciplinary orientation toward economics, it is by no means a typical economics department. Instead, it has been open to a variety of topics and methods relevant for labour markets, unions, and collective bargaining. Many CUEB students went to Renmin University for their graduate study, and some PhD students at Renmin University landed their first job at CUEB.

The state effort in creating several designated IR schools became overshadowed by its overarching goal of economic development in the reform period. SOEs no longer provided life-time employment, and rural migrants were allowed to stay in the cities to compete for jobs. Thus a labour market was created that matched newly founded private and foreign invested firms with migrant workers. To manage the fast growing labour force and to compete in the global market, HRM professionals were in great demand. The three IR schools had a choice of strategies: they could either completely reorient themselves to market needs, or remain closely affiliated to the state for survival. In practice, IR's marginalized position in social sciences and in society at large, and a lack of academic communication with other areas, have contributed to the slow development of the field, with syllabi reflecting heavy reliance on traditional sources. One IR scholar told us:

IR has no theory. The only thing I was taught is John Dunlop's *Industrial Relations System*. It was first introduced to China by a Chinese scholar who studied in Canada and later quit academia. This book was then picked up by IR scholars at Renmin University. It has since become the dominant paradigm for a handful of IR scholars in China.

This is a text which, while seminal for the development of the IR field in the west, nevertheless represents the state of the art of half a century ago. Its high standing is thus at least in part a reflection of a research field yet to reach maturity in China.

## **6. Knowledge Production for State Policy: The Debate over the Adoption of the Labour Contracts Act**

Major shifts in the orientation of IR as an academic field in the global north have tended to occur in reaction to, or in conjunction with, changes of state policy, in part because of the need of the state and private actors for applied research which can inform the policy making process and help shape outcomes. In Britain, the Donovan Commission of the late 1960s provides one such example of complex interactions between a perceived need for a policy change on the part of government, the positions taken up by a number of actors and interest groups, and the evolution of the research field and of the careers of individual researchers within it (Ackers, 2014; Bogg, 2015). In China, the adoption of the Labour Contracts Act in 2007 provides a similar opportunity to study how knowledge production in IR shaped, and is shaped by, the policy making process.

The impetus for the Act was that the pre-existing law was incapable of dealing with the rise in flexible employment forms, including casual work, fixed-term employment and agency (or dispatch) labour; a further factor was a perception that as part of the transition to a market economy, previously consensual labour-management relations were giving way to a context in which management were 'much less likely to feel obligated to act in the interests of non-managerial employees' (Cooney et al, 2007: 790). Following consideration by the State Council, a draft of the law was published in March 2006 and a 30-day consultation period was opened. During this time, over 190,000 comments were received, 'far exceeding the number of public comments on previous laws and causing a media furore' (Gallagher and Dong, 2011: 46-47). Some of the sharpest criticisms of the draft law were received from business associations representing overseas employers with interests in China, including the American Chamber of Commerce which argued that the law would not be sustainable. The version which was finally adopted in 2007 saw some watering down of the protective content of the earlier drafts, but the enacted law nevertheless brought about significant changes to the rules governing the formalization of the employment contract, a tightening of the rules governing the use of fixed-term and agency labour, and the imposition of stricter procedural and substantive dismissal protection (Cooney et al., 2007, 2012).

With the publication of the draft law and the steps taken towards its enactment during 2006 and 2007, divisions between different academic schools became apparent: a 'southern' school centered on Shanghai argued that China's position as a developing country made stricter labour regulation inappropriate, whereas a 'northern' school based around the School of Labour and Human Resources at Renmin University argued that the weakness of grassroots trade unions and similar autonomous bodies in the Chinese context justified increased state intervention (Li and Freeman, 2014). Despite their differences, both sides used the logic of the transition process and the difficulties of ensuring implementation in an 'immature' labour market as justifications for their position (Gallagher and Dong, 2011: 49). They were also alike in making use of arguments based on criteria of market efficiency and competitiveness: the law's critics explicitly used an analysis grounded in HRM concepts and paradigms to predict its 'soft landing' (Dong and Yang, 2007).

The legislation process created opportunities for a handful of IR scholars to engage in commercial lectures and other profit-making activities. According to interviews and our internet search results, representative IR

scholars of both the southern and northern schools started to give commercial lectures around 2008. Such lectures usually last about two hours, and involve 100 participants, each paying \$400, which suggests a gross income of around \$40,000 to be split between the scholar and the organizer. Some law school-trained IR scholars have further commercialized their expertise by incorporating law firms focusing on a broader IR specialty. One interviewee, a mid-career IR scholar, made this comment to us:

I am interested in research and have a decent publication record. I think it is time for me to care about money. Unlike the HRM colleagues who have made a lot of money and gained popularity, we have been poor for a long time. Our time finally arrives.

Chinese IR research is not at all unique in its sensitivity to the needs of business and to the state's concern with the maintenance of competitiveness; similar concerns have influenced debates in North America and Western Europe at various points over the last century. The debate over the Labour Contracts Act nevertheless suggests that Chinese IR research is moving in directions which are distinct from western experience. In particular, our Labour Contracts Act case study highlights two features of IR research in China today which distinguish it from European and American experience in the middle decades of the twentieth century: on the one hand, heavy reliance on HRM and other business-focused paradigms to describe the employment relationship, to the exclusion of issues of power, legitimacy and control; and, on the other, an acceptance of the need for state intervention, which in China is viewed not as an exception, but as the norm in a still developing labour market.

## **7. Discussion and Conclusion**

Chinese social science research has seen significant advances in terms of professionalization, thanks to a combination of state investment in resources and the availability of a global template which has created new opportunities for the exercise of academic knowledge and expertise in the policy and business spheres. However, these developments have run behind the changing reality of IR in China. Rural-to-urban migration on a huge scale, growing labour shortages in the coastal regions, and rising labour unrest, are symptoms of an IR system undergoing massive change, for which existing institutions are ill equipped. Trade unions beyond the factory level are de facto government agencies, delivering policy messages. The voice of ordinary workers is being overlooked, and

grassroots labour organizations are underdeveloped. Given such circumstances, there is an urgent need for IR research which can identify underlying trends and relate them to a fast-changing policy context. However, Chinese IR research remains underdeveloped, compared to an HRM field which is cut off from shop-floor labour relations, and a sociology discipline which is more attuned to changing labour problems but is not well integrated into the policy-making process.

In this paper we have identified reasons for the underdevelopment of Chinese IR in the nature of the Chinese state and its relationship to civil society. The Chinese state is an ‘encompassing’ one which sees its role in terms of direct intervention to steer social relations. This is distinct from the model of a ‘rule of law state’ which sets limits to its own reach and influence on society, not simply to preserve a private sphere free from the control of government, but to ensure that the state does not attempt to play a directive role which is beyond its own knowledge and capacities (Chen and Deakin, 2015).

In the socialist era, the encompassing position of the Chinese state entailed the suppression of private property and the assumption by the state of control and direction of the means of production (Frazier, 2002). In the reform era, the Chinese state is no less encompassing, even if its legitimacy now rests on its ability to stimulate economic growth and at the same time maintain social order (Zhao, 2009). In both periods, the state has been to the fore in organizing a teleological project of social and economic development.

There is a widely held perception that China has a ‘strong state’. According to one view, the Chinese state can resolve social and economic problems in ways which are often beyond the capacity of governments elsewhere (Lin, Cai, and Li, 2003). Another view is that the Chinese state is holding back the emergence of a market economy (Coase and Wang, 2012). However, both views exaggerate the effectiveness of the Chinese state. In the case of the ‘encompassing’ state, the absence of a clear public-private divide is a source of weakness, not of strength. The dominance of the state reduces the role of autonomous institutions in civil society which can serve to mediate and communicate social concerns and to assist the state in their resolution. But there is a second effect, which is the converse of the first: in the absence of a clear boundary between the state and the market, the state is infiltrated by private interests which undermine its legitimacy and thereby its capacity to deliver collective goods.

Both effects can be seen in the under-development of the IR field in China. In the absence of a shared understanding of appropriate limits on state power, employers and workers cannot self-organize in a way which makes it possible for them to engage in constructive negotiations. Private parties rely on local and central government to the point where the state is overwhelmed with responsibilities beyond its capacity to act (Lee and Zhang, 2013). This has left little space for an IR field which specializes in understanding autonomous social forces and their relationship to the state.

The second effect can be seen in the commercialization of IR research, a process which mirrors the wider infiltration of a market logic into the operation of the state. Extensive involvement with business clients and users, to the exclusion of a wider public remit for research and teaching, is undermining the impartiality and objectivity of researchers and academics. By subordinating their expertise to the immediate demands of firms, scholars are neglecting theoretical work and investment in abstract knowledge, of the kind which is a prerequisite for academic professional autonomy (Abbott, 1988). The result is a preponderance of business-orientated, instrumentalized HRM research in China and the marginalization of IR research aimed at advancing a wider understanding of labour issues and problems.

China's pathway to capitalism is not unique in featuring a role for the state. In the west, effective states provided the public goods and legal-institutional infrastructure needed for markets to emerge and develop. In assuming the role of constituting and regulating the market, states also accepted limits to their own authority and power. In China's case, the transition to capitalism has been mediated by a state which continues to see its role as organizing the developmental process, and regards constraints on this power, associated with the western liberal notion of the rule of law, with skepticism. Yet as the process of marketization has deepened, labour-management conflicts which were hidden or submerged in a socialist economy have come to the fore, placing a heavy burden on the state apparatus for dealing with labour disputes.

The policy response to the rise in labour disputes has taken the form of legal and administrative measures aimed at putting in place a floor to wages and conditions of employment and formalizing the resolution of labour disputes. In this context, the dangers of an underdeveloped IR field have not gone unnoticed. One of the principal commentators on the Labour Contracts Act had in 2007 used an HRM-based approach to predict a 'soft landing' for the law as businesses adjusted to the

enactment of new protections for workers (Dong and Yang, 2007). Writing with an overseas colleague in 2011 his assessment was that the Act was a ‘compromise’ which, however, had not led to the expected ‘goal of legislated harmony in the workplace;’ rather, the law had ushered in a ‘new era of disputes, strikes and contention’ (Gallagher and Dong, 2011: 60). Thus the prospects for Chinese labour relations, and for the wider transition China is undergoing, remain highly uncertain. As understanding China’s economic trajectory is of global as well as national concern, there could be no better moment to re-examine the premises and methods of IR, and to rehabilitate a field which remains essential to understanding the dynamics of industrial societies.

## Notes

1. We did not analyze books for two reasons. One is that academic publication in books in China has generally lagged behind journal articles in terms of peer-review process and quality. The second is that publication in the format of academic papers provides us with a more consistent format with which to study trends across different fields.

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