

# The new characteristics, influence factors and countermeasures of China's collective labor dispute

## —Based on the the empirical analysis of 31 provinces

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**Abstract.** There is the large number of people and the wide area of China's collective labor dispute, it is difficult to manage it. The article analyses new trend of collective labor dispute and influence factor analysis on collective labor dispute cases. The analysis of model shows that it is insignificant of trade union and the staff and worker's congress's number to collective labor dispute's number, which is something worth thinking about; the policy adjustment should consider the significant factor.

### Model and data sources

The origin and development of collective labor dispute is partly influenced by social and economic factors. This article uses the method of regression analysis, it analyses that how the possible influencing factors of the Chinese collective labor dispute impact on the number of Chinese collective labor dispute cases by the use of empirical data analysis. According to the economic theory and the actual situation, it sets up the regression model as:

$$Y_i = \beta_0 + \beta_i X_i + u_i, \quad i = 1, 2, 3, \dots, n$$

In the formula,  $Y_i$  is the number of collective labor dispute cases of the 31 provinces,  $X_i$  represents the factors that might have impact on the collective labor dispute. This article selects the condition of regional labor organization, the condition of democratic management, the condition of labor dispute mediation organization, regional economic development level and the worker wages as possible factors, which affect the collective labor dispute. The condition of regional labor organization selected the number of regional unions and the number of regional enterprises and institutions which established the workers congress as the measurement indexes. The condition of democratic management selects the number of enterprises and institutions of making public the affairs of enterprises, the number of staff rationalization proposal, the number of rationalization proposal which has already implemented as the measurement indexes. The condition of labor dispute mediation organization selects the number of regional enterprises and institutions which established the labour dispute mediation committee as the measurement indexes. The regional economic development level selects the regional per capita GDP as the measurement indexes. The condition of worker wages selects regional average wage of the employees as the measurement indexes.  $\beta_0$  represents the constant coefficient,  $\beta_i$  represents coefficient,  $u_i$  is on behalf of the random error.

In this paper, the data of collective labor dispute cases in 31 provinces and the factors which might affect collective labor dispute is come from the China labor statistical yearbook». The data of regional average wages of employees and per capita GDP is come from China Statistical Yearbook.

### New trend of collective labor dispute

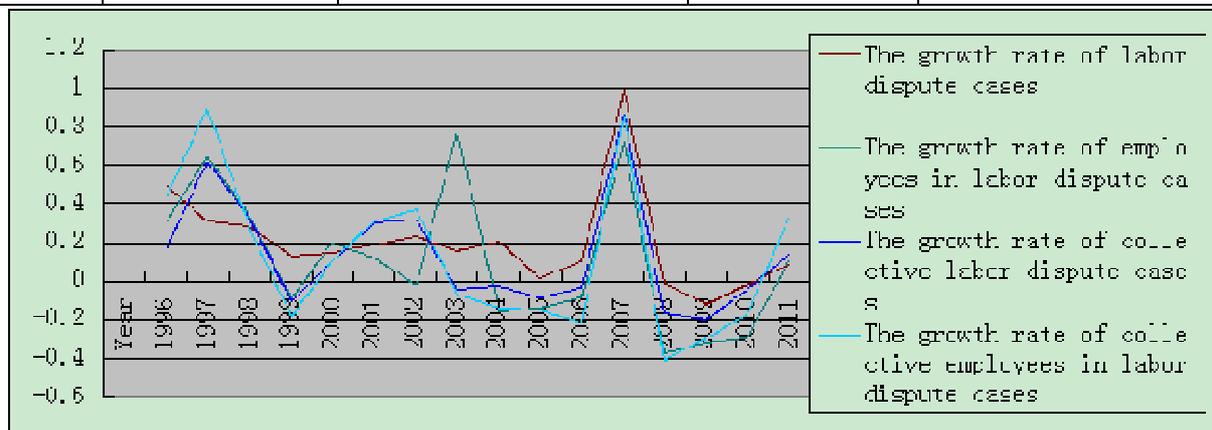
#### The number of collective labor dispute cases in China presented the rapidly rise while the slowly decline followed

The number of dispute cases registered and accepted by Labor dispute arbitration institution in China is rising from 48121 to 641202 during 1996 to 2012, the number of which reached to 693465 in 2008 that we could be called the blow out period. The number of collective labor dispute cases is rising from 3150 to 7252 during 1996 to 2012, and the number of which reached to 21880 in 2008, that

is the peak(see table 1).Although the number of labor dispute cases in China is showing growth while the number of collective labor dispute cases is showing volatility rising,both of the increasing range of labor dispute cases and collective labor dispute cases is showing the declining and more and more smoothly during 1996 to 2007 and 2008 to 2011 beside 2008(see figure 1).What calls for special attention is that both of the number of labor dispute cases and collective labor dispute cases is recovering,which reached to 641202 and 7252,the increasing range is increasing too.

Table 1 The condition of labor dispute in China during 1996 to 2012

Year	The number of labor dispute cases	The number of employees in labor dispute cases	The number of collective labor dispute cases	The number of collective employees in labor dispute cases
1996	48121	189120	3150	92203
1997	71524	221115	4109	132647
1998	93649	358531	6767	251268
1999	120191	473957	9043	319445
2000	135206	422617	8247	259445
2001	154621	467150	9847	286680
2002	184116	608396	11024	374956
2003	226391	801042	10823	514573
2004	260471	764981	19241	477992
2005	313773	744195	16217	409819
2006	317162	679312	13977	348714
2007	350182	653472	12784	271777
2008	693465	1214328	21880	502713
2009	684379	1016922	13779	299601
2010	600865	815121	9314	211755
2011	589244	779490	6592	174785
2012	641202	882487	7252	231894



Graph 1 The condition of growth rate of labor dispute cases in China during 1997 to 2012

### The frequency of collective labor dispute cases quickens while the scale of collective labor dispute cases upgrade

The number of employees in labor dispute cases is rising from 92203 to 23184 during 1996 to 2012(see table 1).The swift growth of collective labor dispute cases occur during 1996 to 2003,since then it showed a descending trend gradually.It shows the volatility rising excepting the peak in 2003 and 2008.The growth rate of employees in labor dispute cases and collective employees in labor dispute cases volatile during 1996 to 2012,the most of growth rate is positive value(see grape 1),that means the number of the employees in labor dispute cases and collective employees in labor dispute cases is increasing while the scale of which upgrade.

The B&Q of Kingfisher Group which is the one of global 500 companies encountered the employee bonus incident in 2013.The stores of B&Q in Shenzhen,Chengdu,Shanghai,Guangzhou

staged organized massive strike one night in September 2<sup>nd</sup> 2013. In recent year, the collective dispute incident similar to B&Q occur frequently in China. Including the Jiang Xi province's Nankang incident, Hu Bei province's Shishou incident, thousands of cotton mill employees were hiking to Beijing through the national road in Baoding of Hubei, thousands of workers were blocking the road three times in Wuhan boiler factory, n-times jumping in Foxconn in 2010, more than 70 employees' pensions were diminishing of Shenzhen development bank, the labor dispute of more than one thousand employees caused by Nokia and Motorola's merger in Zhejiang, Hangzhou, Beijing and Tianjin, the safeguard legal rights incident of Pepsi in 2011, the downsizing of Nokia and Siemens, the strike action of more than 400 employees in Top form Shenzhen caused by abusing employee by supervisor, more than 40 sanitation workers were quit in Guangzhou. The workers' collective labor dispute such as which causes the thinking of actual collective labor dispute once again. The frequency of collective labor dispute cases in China quickens while the scale of collective labor dispute cases upgrade. The collective labor dispute cases related to individual labor dispute cases involve and influence more people, that spawns huge economic losses and social impact, which is already the important factor influencing social development. So, it has realistic significance to discuss the collective labor dispute cases and seek the solution of preventing and dealing with collective labor dispute cases.

### The collective labor dispute cases are mainly located in developed area

The paper chooses the collective labor dispute cases that are accepted by labor dispute arbitration institution among 31 provinces and regions in China in 2012, and analyses the distribution condition of collective dispute cases across the country in real evidence. The result shows collective labor dispute cases are mainly located in developed area including Beijing, Shandong, Liaoning, Guangdong, Hunan, Chongqing, Sichuan, Zhejiang, Guangdong has the maximum collective labor dispute cases among the country that reached to 1763, which accounts for 24.32% of all collective labor dispute cases. The employees involved are very large that reached to 75671, which accounts for 32.63% of all cases in China. While the collective labor dispute cases are of rare occurrence in economic backward area including Qinghai, Shanxi, Guangxi (see table 2).

Table 2 Distribution condition of collective labor dispute cases among 31 provinces and regions in China in 2012

Region	The number of employees in labor dispute cases	The number of collective employees in labor dispute cases	Region	The number of employees in labor dispute cases	The number of collective employees in labor dispute cases
nationwide	7252	231894	Henan	268	4639
Beijing	651	15128	Hubei	185	3683
Tianjin	59	1082	Hunan	265	4264
Hebei	272	4280	Guangdong	1763	75671
Shanxi	50	1246	Guangxi	36	1015
Inner Mongolia	205	5637	Hainan	39	656
Liaoning	238	5209	Chongqing	104	2199
Jilin	119	1923	Sichuan	176	4330
Heilongjiang	47	899	Guizhou	38	994
Shanghai	104	3754	Yunan	62	2022
Jiangsu	505	17840	Tibet	103	1780
Zhejiang	757	32522	Shanxi	15	1087
Anhui	137	3171	Gansu	84	3178
Fujian	350	14821	Qinghai	8	336
Jiangxi	71	1443	Ningxia	131	1339
Shandong	294	11718	Sinkiang	115	3248

### The influence factor analysis on collective labor dispute cases

The paper uses statistical analysis software of eviews6. 0 to analyze the number of collective labor dispute cases and the factors might influence collective labor dispute cases by Generalized Least Square method, reject the influencing factor including the number of rationalized proposals put forward by the staff and workers this year and AGDP of more bad correlation and might cause auto-correlation, the regression results are showed in table 3.

Table3 The regression results of collective labor dispute cases and the influencing factors among 31 provinces and regions in China in 2012

explanatory variable	explained variable		
	coefficient	t-value	p-value
constant	-750.6676	-3.671319*	0.0011
number of grassroots trade union by region	0.002627	2.166032**	0.0397
number of establishments with employee congress	-0.016367	-3.505709*	0.0017
number of establishments with publishing management affairs	0.018253	3.558194*	0.0015
rationalized proposals practiced this year	-0.00092	-3.138051*	0.0042
Employment average wage	0.016353	3.726168*	0.001
R <sup>2</sup>	0.980675		
F	263.8762		

Comment: \* means Significant at 1% level,\*\* means Significant at 5% level.

It is shown from the analyzed results that: Rationalized proposals put forward by the staff and workers this year and Per Capita GDP had no significant influence on the number of collective labor dispute by region. Number of rationalized proposals practiced this year has a significant negative correlation with collective labor dispute cases. Establishments with publishing management affairs has a significant correlation relation with collective labor dispute cases. Number of establishments with employee congress has a significant negative correlation with collective labor dispute cases. Number of grassroots trade union by region has a significant correlation relation with collective labor dispute cases. Employment average wage has a significant correlation relation with collective labor dispute cases (see table 3).

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