Two Steps Forward, One Step Back: Labor Activism and State Capacity in China

Abstract: Today, labor movements are on the defensive in many democratic countries, but workers appear to be taking to the streets in increasing numbers in authoritarian and hybrid regimes, where workers have few institutional channels for voicing their grievances. What can mobilization accomplish in such seemingly unpropitious settings? This article uses the case of China to test the hypothesis that labor activism simultaneously builds the regulative and responsive capabilities of non-democracies. Drawing on a crowd-sourced and geo-referenced dataset of strikes, protests, and riots by Chinese workers over the past decade, as well as official statistics, the article shows that worker unrest is correlated with both more spending on public security and more employment disputes decided in workers’ favor. These findings suggest that labor activism can have a powerful but contradictory effect under autocracy, and they raise important questions about the relationship between the punitive “right hand” and welfare-oriented “left hand” of the state.

Today, labor movements are on the defensive in many democratic countries, while workers are taking to the streets in increasing numbers in authoritarian and hybrid regimes. Strike rates have fallen to historic lows in Europe and North America. Despite repeated attempts at union renewal, the percentage of employees the United States carrying union cards has decreased from a high of 28.3 percent in 1954 to 11.1 percent in 2015. South Korea’s famously militant unions have seen their membership reduced from 18.6 percent of the workforce in 1989 to 10.1 percent in 2012. Even Sweden, while maintaining extremely high union density by global standards, has experienced a fall in membership from 80.6 percent to 67.3 percent in just a little over a decade. In contrast, although reliable statistics on strikes and unionization are less easily available from non-democracies, anecdotal evidence suggests that workplace activism has held steady or risen in many countries where workers lack free and fair elections—and where workers are either outright denied organizations of their own or their organizations are under violent attack. For instance, in Vietnam, thousands of shoe factory employees recently went on strike to
protest new social security regulations.\(^6\) Meanwhile, *The New York Times* reports that Russian teachers, autoworkers, and steelworkers in far flung rustbelt towns are starting to protest unpaid wages “in the first nationwide backlash against President Vladimir V. Putin’s economic policies.”\(^7\) Since the early 2000s, Iran has experienced waves of protests by petrochemical workers, miners, teachers, and bus drivers.\(^8\) Similar dynamics have been observed in Bangladesh, Cambodia, China, Colombia, Egypt, Tunisia, and Zimbabwe.\(^9\) With the exception of Egypt and Tunisia, though, labor has not brought about regime change in any of these places. What can workers hope to accomplish in such seemingly unpropitious settings?

Scholars have explored at length the role of workers in both the political development of established democracies and the great political transitions—toward liberal democracy, toward state socialism, toward conservative and fascist dictatorship—of the late nineteenth and early twentieth centuries. According to Seymour Martin Lipset and Stein Rokkan, the cleavage between employers and employees continues to define the party systems of Europe.\(^10\) Gøsta Esping-Andersen credits different alliances between workers and farmers and white-collar workers with generating different welfare systems, defined by the degree to which they decommodify labor and stratify society.\(^11\) The working class, not the middle class, is the group ultimately driving the extension of universal suffrage, according to Dietrich Rueschemeyer, Evelyne Stephens, and John Stephens,\(^12\) an argument backed by work like E.P. Thompson’s on the English workers and the Chartist movement.\(^13\) Ruth Berins Collier and David Collier document how attempts to incorporate labor via different types of parties—traditional, populist, and radical—at “critical junctures” yielded contrasting legacies, both authoritarian and democratic, in Latin America.\(^14\) However, this line of analysis has not been extended to the ongoing processes of change playing out in contemporary autocracies.
The outcomes of social movements under authoritarianism more generally remain under-examined. Even in democracies, there are substantial analytical barriers to identifying the impact of activism. These include, most basically, defining “success” and “failure” for movements, as well as disentangling the impact of a given movement from “political changes of a more conventional type” and the fact that “most serious challenges to the polity emerge as parts of cycles of contention, in which elites are responding less to any single challenger than to generalized threats to their power.” Whether protest increases repression and how to control for the effect of preemptive repression (and protesters’ anticipation of repression) are similarly thorny issues. Nonetheless, considerable progress has been made with regards to understanding the influence of popular collective action on elected governments. In contrast, little work has been conducted on its effect on autocracies. In a review of the state of research, Edwin Amenta and his co-authors find that out of 54 articles on movement outcomes in the top four sociology journals and *Mobilization* over the previous decade, “31 involved U.S. labor, African American civil rights, feminism, nativism, and environmentalism, five of the six most-covered movement families in the twentieth century.” Given the scale of unrest in many authoritarian countries today, this represents a glaring omission.

Perhaps this is the result of an overemphasis by scholars on questions of regime resilience versus collapse—and a concomitant disinterest in the day-to-day evolution of governance outside of democracies. For a period at the close of the Cold War, a “transitology” paradigm dominated, which treated dictatorships as only a way station on the road to democracy, with research therefore focused on the terms of their destruction. Given the surprising staying power of non-democratic governments in Eastern Europe, the former Soviet Union, and elsewhere, “transitology” has since been replaced by a paradigm of “authoritarian resilience,” which
assumes that autocrats operate in optimal ways to reproduce themselves, with research then devoted to documenting their mechanisms for maintaining survival\textsuperscript{21} and constructing fine-grained typologies of non-democracy.\textsuperscript{22} Both approaches have yielded valuable insights. However, they have presented an overly static picture of governance in authoritarian states in between revolutionary upheavals. It is unrealistic to imagine that protests outside of democracies accomplish nothing for their participants unless a government falls.

This article uses the case of China to test the hypothesis that worker activism has a profound but contradictory effect on governance in authoritarian states, especially post-socialist ones, leading them to strengthen their capacity in two regards: their regulative capacity and their responsive capacity. I begin by providing some background on the country’s rising labor unrest and by reviewing the research conducted on Chinese labor relations to date. Then, I explain why non-democracies are likely to react in a dual manner to workplace contention. I next utilize a crowd-sourced and geo-referenced dataset I have collected of 1,662 strikes, protests, and riots by Chinese workers occurring between 2004 and 2013, as well data from government sources, to show that increases in labor unrest are correlated with both more spending on public security \textit{and} more mediation, arbitration, and court cases decided in workers’ favor. However, I note that the protest-policing relationship breaks down during the first two years of the current Xi Jinping administration (2012 and 2013), suggesting a need for further research into the role of elite politics in labor politics. My conclusion places China in a broader, comparative context. The article contributes to our understanding of the important but complex changes within—not necessarily away from—autocracy brought about by worker mobilization in today’s hotspots of labor insurgency, while raising new questions about the relationship between the punitive “right hand” and welfare-oriented “left hand” of the state.
**Labor Unrest in China**

China has been called an “emerging epicenter of world labor unrest.”\(^{23}\) Annual formally mediated, arbitrated, and litigated labor disputes have risen from 48,121 in 1996 to 665,760 in 2013.\(^{24}\) For a period, Beijing provided semi-regular updates on the country’s number of “mass incidents,” a euphemism for strikes, protests, and riots. Such incidents increased from 9,000 in 1994 to 87,000 in 2005, the last year these figures were publically reported (a leak put the number in 2008 at 127,000).\(^{25}\) Scholars have estimated that roughly a quarter to a third of these are workplace disputes.\(^{26}\) In 2014, the Chinese Academy of Social Sciences stated that over the past 14 years, employment-related conflicts accounted for the largest single category of protest involving over a 1,000 individuals.\(^{27}\) Particularly high-profile showdowns in recent years have included a taxi strike in Chongqing in 2008 that spread to over a dozen cities across the country; violent protests that blocked the privatization of a steel mill in Jilin province in 2009 and inspired an equally successful anti-privatization effort at a mill in Henan; and a work stoppage at a Honda auto parts plant in Guangdong in 2010 that shut down the company’s entire Chinese supply chain and sparked similar actions at other Honda and Toyota plants. Tactics employed by demonstrators have ranged from playful street theater to seizing or sabotaging equipment to, in a handful of instances, online coordination across multiple worksites.\(^{28}\) We cannot yet speak of a full-fledged labor movement in the sense of “a sustained campaign of claim making, using repeated performances that advertise the claim, based on organizations, networks, traditions, and solidarities that sustain these activities.”\(^{29}\) However, we can speak of a powerful “proto-movement.”
**Existing Analyses of Chinese Labor Unrest**

Scholarship on Chinese labor issues has shifted over time. In the late 1990s and early 2000s, workers were described as having fallen in status from “master to mendicant” and as divided by the country's extraordinary reliance on foreign direct investment; by their acceptance or rejection of the legitimacy of the state and new market economy; by the different forms of social reproduction defining the lives of and different values held by new migrants from the countryside versus people still employed in the old, state-owned enterprise (SOE) “work unit” system; and, among migrants, by gendered “native place” chains of mutual aid, patronage, and control. Academics exposed the brutal conditions in coastal sweatshops. As strikes have risen in recent years, workers have come to be seen as coalescing around a set of offensive demands: for higher wages, irrespective of legal minimums, for attention to the “details” of working conditions, for simple respect, and for collective representation. This fresh aggressiveness is attributed to new labor laws, the leverage provided workers by a strengthened economy, higher educational levels, the flexibilization of work, circles of experienced strike leaders, and the “weak ties” workers have been able to make with knowledgeable people outside their immediate social circles, among other things. However, with a few notable exceptions, regardless of whether scholarship on Chinese labor issues has come to pessimistic or optimistic conclusions about worker unity and consciousness, it has, like traditional social movements research, mostly approached labor unrest as a “dependent variable” to be explained. Research has tended to focus on the ways in which workers have been channeled, obstructed, and spurred on by structural factors and state policy. The question of how labor, in turn, may be reshaping its own social and political opportunities and constraints remains under-examined.
A Theory of Dual Transformation

I hypothesize that labor unrest cultivates certain capabilities in authoritarian states. My starting point here is Gabriel Almond and G. Bingham Powell’s classic conceptualization of political systems as having five dimensions: extractive, regulative, distributive, symbolic, and responsive.44 By spurring a buildup of the public security apparatus, protesting workers increase the government’s regulative capability or the “system’s exercise of control over behavior of individuals and groups.”45 Another way to understand this change is as an increase in what Theda Skocpol calls “coercive capacity,”46 although more is involved than boots and truncheons. Simultaneously, workplace conflict bolsters the government’s responsive capacity, understood as its ability to act on the inputs of a wide range of stakeholders.47 Workers are not, of course, invited into the government’s narrow “real selectorate” or “winning coalition,”48 but authorities do become more solicitous of labor—which can be experienced as a sea change, given that the default is often for officials to exclusively court investors.49 The first outcome thus amounts to a setback for nascent labor movements like China’s; the second, a gain.

Why does labor unrest have this effect? Industrial contention places intense pressure on regimes of all types. Jeremy Brecher writes of “ordinary people” that “if they refuse to work, the country stops… if they take control of their own activity, their own work, they thereby take control of society.”50 Non-democracies, however, tend to be especially vulnerable to rapid cascades of citizens revealing their true preferences regarding social conditions (preferences normally hidden are more explosive when revealed)51 and by definition lack institutions like independent courts and free elections for channeling popular discontent. Policies of autocracies toward trade unions vary widely, from the exclusionary approaches of right-wing dictatorships to the corporatist approaches of their left-populist counterparts.52 But post-socialist authoritarian
states—particularly those like China that continue to be ruled by a nominally “socialist” party—tend to be hampered by hollow state-controlled unions that act as “preemptive organizations” with regards to the formation of rival institutions but cannot in fact contain unrest. Moreover, despite marketization, economic and political power in such countries is still fused in a uniquely open manner. Finally, worker mobilization under post-socialism highlights the disconnect between governments’ founding ideals (the “radiant past”) and current policies.

But why increased regulative and responsive capacity, in particular? To quiet workplace contention in the short term, autocracies attempt to demonstrate their sympathy for labor’s plight. This can take many forms, from interventions by high-ranking leaders on behalf of particular workers to the enactment of new labor laws. However, the most straightforward form is siding more with workers in employment disputes and demanding more concessions from management. At the same time, the state must take a long perspective. It cannot mollify protesters again and again and stay in control of the situation, as successful protests inspire further protests that inspire further protests. Moreover, there is always danger of “spillover” into other movements. Therefore, authorities also invest more in tools of control, setting an outer bound on how far activism can progress. The result is a dual transformation of governance. For workers, it amounts to two steps forward and one step back.

**Observable Implications**

If my hypothesis is right, we would expect increases in labor unrest in China to be correlated with more spending on public security (more regulative capacity), on the one hand, and a smaller percentage of formally adjudicated employment disputes decided in businesses’ favor and a larger percentage adjudicated in workers’ favor or, at least, in a split manner (more responsive capacity), on the other. The current wave of Chinese worker protest is only a little over a decade
old, yielding too little information at a national level for rigorous analysis. However, by observing subnational variation, we can disaggregate the single case of China into multiple observations, increasing our leverage. In this article, I situate my analysis at the level of China’s thirty-one provinces, directly administered cities, and autonomous regions (hereinafter all referred to as “provinces”). This choice reflects practical necessity: figures on employment disputes are not consistently available at the county or prefectural level, and public security spending is not available at these levels for more recent years. But provinces also make sense for other reasons. With China’s “soft centralization” of decision-making, more power has been concentrated in provincial governments. Important policymaking still occurs at sub-provincial levels, especially in large cities, but local authorities must receive approval from their superiors for many politically sensitive decisions. Moreover, provinces come closer to approximating the regions—the northeastern “rustbelt” versus southeastern “sunbelt” or the Northeast, North-Central, Central Coast, and Upper Changjiang, depending on the analysis—that have been identified as significant to patterns of labor unrest and state labor policy in the literature. My chosen methodology is cross-sectional time series analysis, i.e., examination of change across provinces and time. Before providing details on my statistical model, I explain how I measure my dependent and independent variables, as well as controls.

Public Security Spending and Dispute Outcomes

My dependent variables are annual spending on public security per province and the outcomes of formally adjudicated disputes per province. Figures on public security spending in 100 million RMB (Public Security) are drawn from the China Statistical Yearbook and cover the years 2004 to 2013. They include a broad swath of the budget—“expenditure for public security agency, procuratorial agency and court of justice” (through 2006) and, more vaguely, “expenditure for
public security” (2007 onwards). Outlays for the anti-riot People’s Armed Police (PAP) might seem a better measure of the state’s regulatory capacity with regards to workplace conflict. However, the PAP is usually only mobilized for serious disturbances and thus does cannot stand in for the full panoply of security measures undertaken by the state. Moreover, China stopped publishing sub-national PAP expenditures after 2006. Nonetheless, according to one estimate, 77 percent of the broader measure I use here actually goes to the PAP.60

I rely on China Labor Statistical Yearbook data from 2004 to 2013 for my measure of the outcomes of formally adjudicated employment disputes. By this I mean disputes that are brought to mediation, arbitration, and court—not strikes, protests, and riots. The government categorizes dispute outcomes by the winning party, and I treat the percentage of total cases decided in favor of employees, in favor of employers, and split between employers and employees as separate dependent variables (Pro-Worker, Pro-Business, and Split). There may be variation across regions and across time with regards to the abuses suffered by workers. This variation might in turn affect variation in both the quality of the cases adjudicated and the number of strikes, protests, and riots that occur. Relative abusiveness and case quality are impossible to document systematically, but we can document changes in the types of cases adjudicated. Appendix 1 shows the percentages of accepted cases between 2004 and 2013 involving three of the most common types of employment issues discussed in the literature: remuneration, social insurance, and lay-offs. Overall, the kinds of cases being adjudicated in different provinces closely follow each other over time. I include as a control in my analysis the percentage of cases involving remuneration, the issue with the most regional variation, (Remuneration).
Labor Unrest

For my measure of my chief independent variable, labor unrest (*Strikes*)—not formally adjudicated disputes, as measured in my dependent variable—I rely on a collection of 1,662 strikes, protests, and riots by Chinese workers occurring between 2004 and 2013. I collected the first nine years of this data using a publically accessible website I established in 2010. The site, built on the Ushahidi crowd-mapping platform, geo-referenced incidents found in foreign and domestic news reports, dissident blogs (such as *Boxun* or *Jasmine Revolution*), online bulletin boards (auto enthusiast discussions were reliable repositories of information on taxi strikes), and reports by advocacy groups; it also allowed site visitors to report incidents that I had missed (about half a dozen incidents were added in this manner). For the years 2011 to 2012, I checked the site’s data against a similar project by China Labour Bulletin (CLB) that was launched in mid-2011, adding any conflicts that CLB captured that I had not. I drew on CLB’s data entirely for the year 2013, dropping seven incidents the group recorded that did not meet my criteria: being collective (involving more than three people), being contentious (going beyond legal channels), concerning only employment-related issues (not, for example, ethnic tensions between workers), occurring in mainland China, and including clear information on location (at least down to the city or county level). I also broke into three incidents one CLB-recorded conflict that occurred in several locations at once. The combined dataset, although to my knowledge the most complete such set available, should be treated as only a small sample of China’s total labor conflict during the period covered. It could, moreover, conceivably be skewed somewhat toward coastal areas that have more liberal media and livelier online communities. But the dataset nonetheless has broad coverage: 64 percent of the incidents it captures occurred outside of
Guangdong, the center for worker insurgency today. Regardless, as I will explain below, I employ provincial and year fixed effects to control for any biases in reporting.

**Controls**

In general, people are more likely to agitate when they believe they will get a positive response. I therefore include controls for a range of variables that might at once be correlated with unrest and directly shape state responses to unrest via “backdoors.” My first control is GDP Per Capita. Here, I use the economic calculator provided by the All China Data Center. Industrial relations scholars have found strike rates to be pro-cyclical: a booming economy means more alternative job opportunities for strikers and more company rents to be divided between employers and employees. At the same time, when growth and revenue are high, local officials might be more willing to make concessions to workers (and spend more on the police).

My second control is Migrant Workers, operationalized as the percentage of the residents of a province with their household registration (hukou) in another province, drawing on the *China Statistical Yearbook* and *China Statistical Datasheet*. As China’s “new workers,” migrants initially seemed less prone to sustained mobilization than SOE workers, a phenomenon attributed by Ching Kwan Lee to the fact that migrants could always return to the countryside to till the land if faced with workplace challenges. More recently, however, migrants have come to be seen as the vanguard of China’s “class struggle without class organization.” Meanwhile, local governments may feel greater responsibility toward politically embedded local residents than migrants. Figure 1 maps strikes and migrant worker density in the Pearl River Delta.
My third control is *SOE Employment*. It is measured as the percentage of a province’s employed persons who are in the state sector, again using data from the *China Statistical Yearbook* and *Datasheet*. The resistance of SOE employees to restructuring in the late 1990s and early 2000s is well documented.\textsuperscript{68} Restructuring then slowed (although it is likely to pick up again in the near future). However, as the working conditions of people remaining in the state sector have begun to be lowered to those of the private sector, they have started to protest anew.\textsuperscript{69} Given the strategic position occupied by SOEs (at the “commanding heights of the economy”), governments may also be especially sensitive to SOE protests. Indeed Yuhua Wang has shown that police spending rises when state employment falls.\textsuperscript{70}

My fourth control is *Labor NGOs*. In recent years, dozens of labor non-governmental organizations (NGOs) have been established in China, organizing recreational activities, providing legal advice, and, increasingly, openly supporting strikes. These groups have been
positively evaluated by some scholars for extending deep social roots and criticized by others for focusing on overly individualistic solutions to worker grievances. Regardless, despite sporadic attempts at incorporation, authorities have tended to view NGOs with deep suspicion, blaming them for stoking discontent. Officials may react in an especially repressive manner toward protests they believe are connected with such organizations, and the mere presence of NGOs in a region may make labor conflicts more politically sensitive, regardless of whether or not the groups are involved in more than service provision. I operationalize this variable as the number of NGOs per province per year, using a 2013 list of 86 organizations and their addresses and founding dates provided to me by CLB.

My fifth control, Union Activity, is measured as the number of enterprises per province with “wage only” collective contracts, as reported in the China Trade Union Yearbook and the China Trade Union Statistical Yearbook. The state-controlled All China Federation of Trade Unions (ACFTU) was consigned to the role of a “transmission belt” between the Party and workers during the Mao era and has struggled to redefine itself since market reforms. Some recent ACFTU experiments, such as sectoral bargaining initiatives in Zhejiang and elections for enterprise-level trade union heads in Guangdong, have generated scholarly attention. At its best, the union operates as something of a fourth party in labor relations—not fully a representative of workers, employers, or the government—and as such could affect both workers’ willingness to go on strike and policy outcomes of their activism.

Because many of these variables may simply be reflecting in different ways China’s growing population and urbanization, I include the controls Population and Urban, which measure, respectively, raw provincial population and the percentage of a province’s population who are “employed persons in urban units at year-end.” Both are drawn from China Statistical
*Yearbook* data (although I rely on the All China Data Center to measure Urban in the year 2004). The variable *Remuneration* captures the percentage of all cases involving wage issues. I explained in a previous section that some kinds of labor abuses might be correlated with both more unrest and particular judicial outcomes, and wage issues show the greatest variation across provinces. As also noted above, I employ provincial fixed effects throughout to control for possible regional differences in strike reporting, e.g., more reports from coastal areas with a larger number of Internet users and greater access to foreign media. These also control for other time-invariant attributes of provinces like regional culture. I additionally include year fixed effects to capture changes in reporting and censorship over time.79 Table 1 provides summary statistics for all of my variables.

**Table 1: Summary Statistics**

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<th>Variable</th>
<th>Mean</th>
<th>SD</th>
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<td>19162.73</td>
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<td>276.35</td>
<td>10644</td>
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</table>

**Model and Results**

To test my hypothesis of labor unrest spurring a dual increase in the state’s regulative and responsive capacity, I estimate several time series cross-sectional models. Specifically, I use a standard panel fixed-effects regression: \[ Y_t = \beta_0 X_t + \eta + \gamma_t + \epsilon_t \], where \( Y_t \) represents my
dependent variables (Public Security, Pro-Worker, Pro-Business, and Split); $\beta_0$ is the coefficient for a vector containing the time varying independent variable ( Strikes) and controls; $\eta$ is a province fixed effect; $\gamma$ is a year fixed effect; and $\varepsilon_t$ is the error term. I use the first difference of all the dependent variables and my independent variable (i.e., the change in unrest, spending or the percentage of disputes ruled a certain between time $t-1$ and $t$), because a Fisher-type unit root test found evidence of non-stationarity in my time series. The assumptions here are that year-to-year differences in unrest have an immediate effect on differences in spending and judicial outcomes, and that there are no unobserved confounders with regards to within-province change over time. As explained above, the provincial fixed effects control for variation in labor unrest reporting or censorship across time and regions, as well as other time invariant attributes of provinces, while the year fixed effects cover changes in reporting year to year.

Table 2 shows the relationship between Strikes and my dependent variables, Public Security, Pro-Worker, Pro-Business, and Split, between 2004 and 2011. Models 1-4 lack controls, while Models 5-8 include full controls. Strikes are positively and significantly correlated with spending on public security and with rulings in favor of workers in all models, while negatively and significantly correlated with split rulings (and negatively correlated with pro-business rulings, albeit not significantly so). More specifically, with full controls, an increase of a single strike in my dataset is correlated with an increase of 27.7 million RMB (4.2 million USD at the current exchange rate) in provincial public security budgets. Again, my dataset should be understood as only a very small sample of a much larger phenomenon, and each strike in the full population of workplace incidents is likely correlated with a much smaller rise. An increase of one strike in the dataset is also correlated with a 0.26 point percentage shift in the proportion of all formally adjudicated disputes ruled in workers’ favor (an increase of a
single strike in the *full* population of strikes should yield a much smaller shift). All else equal, Population is associated with a significant drop in the percentage of pro-worker rulings and a rise in the percentage of pro-business rulings, while Urbanization is (unsurprisingly) correlated with a rise in public security expenditures.

Interestingly, as seen in Table 3, if the years 2012 and 2013 are added to the model, with or without controls, the relationship between strikes and rulings in favor of workers remains positive and significant, but the relationship with Public Security is no longer significant (and the sign is negative). One explanation is that spikes in strikes in a few areas during those years could simply have caught the police off-guard. A more likely reason for the change, though, is that 2012 and 2013 marked the transition between the Hu Jintao and Xi Jinping administrations. In 2012, as Xi Jinping consolidated his power as new General Secretary of the CCP, he launched an investigation of rival Zhou Yongkang, the head of China’s Politics and Law Commission and its associated domestic security apparatus. Zhou had personally overseen the massive expansion in police spending that occurred over the previous decade. In 2013, Zhou’s son was arrested on corruption charges, and in late 2014, Zhou himself was arrested and expelled from the Party. These moves were accompanied by a general downgrading of domestic security: police chiefs were discouraged from joining local Politics and Law Committees and Zhou’s replacement was not given a seat on the Politburo Standing Committee. Cuts in police budgets (or, more likely, the shifting of police funds to other, similar institutions) would have been the most pronounced in large provinces like Guangdong, which also happen to have been hotspots of contention, thereby yielding a negative correlation between contention and regulative capacity as measured by the variable Public Security. This all raises the possibility that elite politics play an important role in labor politics, something that deserves further scrutiny.
**Robustness Checks**

As noted, the model I use assumes an immediate impact of protest on policy and only controls for past policy by differencing the dependent variables. To test whether the relationships observed hold up under other specifications, I estimate a partial adjustment model, where a lagged dependent variable is included on the right-hand side of the equation, as well as an autoregressive distributed lag (ADL) model, where a lagged dependent and lags of all the independent variables are included.\(^8\) The results remain robust. As a very small sub-set of provinces / years with unusually high levels of unrest could be responsible for the correlations observed, I also drop all observations with more than 50 strikes in my dataset. My findings are still the same. Because strike numbers and formally adjudicated dispute numbers tend to track each other closely and because Public Security measures court expenses, in addition to policing costs, my results could conceivably merely reflect the relative caseload of mediators, arbitrators, and judges. I therefore re-run my original model with the year-to-year difference in total adjudicated disputes as the main independent variable, not Strikes. The result: there is no statistically significant relationship between disputes and public security spending or pro-worker decisions, but disputes and *split* rulings are positively and significantly correlated, suggesting that strikes have a distinct impact from litigation and more than caseloads are at work. (Due to space constraints, the results of these checks are not shown but are available upon request).
### Table 2: Strikes, Public Security Spending, and Judicial Rulings 2004-2011

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<tr>
<td></td>
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<td>Pro-Business</td>
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<td>-0.141**</td>
<td>0.277**</td>
<td>0.255*</td>
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<td>-0.206***</td>
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</tr>
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<td>0.055</td>
<td>0.589</td>
<td>0.070</td>
<td>0.015</td>
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Standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

### Table 3: Strikes, Public Security Spending, and Judicial Rulings 2004-2013

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<tr>
<td>Population</td>
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<td>-0.0162***</td>
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<td>0.0151**</td>
<td>(0.00564)</td>
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<td>-0.0734</td>
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<td>(0.209)</td>
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<td>-1.004</td>
<td>1.836</td>
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<tr>
<td>$R^2$</td>
<td>0.228</td>
<td>0.062</td>
<td>0.010</td>
<td>0.055</td>
<td>0.248</td>
<td>0.073</td>
<td>0.013</td>
<td>0.065</td>
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Provincial and year fixed effects throughout. Standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$
Conclusion

My article has found that for most of the past decade increases in labor unrest have been positively correlated with spending on public security, as well as more formally adjudicated employment disputes ruled in workers’ favor. These findings are in line with the hypothesis that worker activism in today’s authoritarian countries builds two forms of state capacity: regulatory and responsive. The fact that the relationship between protest and policing reverses during the first two years of Xi Jinping’s rule suggests a need to further examine the role of elite politics in labor politics. However, overall, the article provides further evidence for Dan Slater’s assertion that “violent internal contention can ‘make the state’ as surely as international warfare.”

Chinese labor activism is rarely as violent (or as organized) as the contention described by Slater in his study of post-war Southeast Asia. But it may prove to be equally transformative.

Is the transformation wrought by workplace conflict under authoritarianism sustainable? Clampdowns and concessions—or what Pierre Bourdieu calls the punitive “right hand” and welfare-oriented “left hand” of the state—do not necessarily work at cross-purposes. Increased regulatory capacity can provide space for risk-free shows of responsiveness. Conversely, responsiveness can ameliorate the backlash caused by overly harsh regulation. But workers who are at once encouraged to present their demands to the government and are routinely beaten and arrested when they do so will likely become increasingly disillusioned. They may for a period try to use the regime’s own statements of intent as cover (what Kevin O’Brien and Lianjiang Li call “rightful resistance”). And they may even experience increases in their sense of efficacy and competence with regards to “working” the system, even as they perceive the system more negatively (Mary Gallagher calls this “informed disenchantment”). But labor could ultimately tire of playing on the state’s unpredictable and restrictive terms.
This problem for authorities is heightened by China’s weakness with regards to two of the other state capabilities identified by Almond and Powell: distributive and symbolic. The country is unable or unwilling to make significant progress along the distributive dimension. If the self-employed are excluded, labor’s share of Chinese GDP has fallen significantly over the past couple decades. Riot troops and sympathetic judges can only do so much when workers are not sharing in the country’s growth. Similar dynamics are evident in much of the world, of course, in both democratic and authoritarian regimes. But in China and other post-socialist states, the strain is compounded by confusion on the symbolic dimension. Elizabeth J. Perry writes that the Chinese Communist Party derives much of what remains of its legitimacy from “a revolution that promised dignity for its most downtrodden citizens.” Yet, as she notes, the revolutionary past is a double-edged sword, serving as an accusation against the officials of countries like China who have abandoned their old egalitarian ideals.

There is evidence that the dynamics I have identified in China are part of a broader phenomenon in non-democratic states. In neighboring post-socialist Vietnam, for instance, a surge of worker unrest in the early 2000s resulted in both a substantial, pro-worker upgrading of existing labor laws (i.e., increased responsive capacity) and arrests of dissident labor organizers (regulative capacity). In 2015, a Supreme Court decision in Zimbabwe opened the door to easier dismissals of workers; ahead of planned protests against the decision, union leaders were arrested and police in riot gear patrolled the capital—but the government also moved to amend the country’s labor laws “to force employers to pay severance packages to workers fired after the court ruling and set tougher conditions for future dismissals.” In semi-authoritarian Bangladesh, labor mobilization has been met with police violence, and police have reacted poorly to abductions and murders of union leaders. However, the Bangladeshi government has
also promised minimum wage hikes; after the Rana Plaza garment factory fire of 2013, authorities further agreed to change regulations to allow unions to register without the permission of factory bosses (although officials have since frequently rejected union applications on arbitrary grounds).93 Worker pressure forces the state to grow. In the long run, this growth may prove too unbalanced to be sustainable. For now, it at once introduces new opportunities and constraints for labor, even as the regime remains the same.
APPENDIX

Appendix 1: Cases Brought to Mediation, Arbitration and Court 2004-2013

<table>
<thead>
<tr>
<th>Remuneration</th>
<th>Insurance</th>
<th>Broken Contracts (Lay-Offs)</th>
</tr>
</thead>
</table>

Note: In one instance, Guangxi in 2008, the number of cases recorded as featuring insurance issues exceeded the total number of “accepted cases.” This observation was dropped, as it likely reflected a reporting error.
NOTES

1 International Labour Organization, “ Strikes and Lockouts, By Economic Activity,”

2 See, for example, Rick Fantasia and Kim Voss, Hard Work: Remaking the American Labor

3 Bureau of Labor Statistics, “Union Members Survey,” United States Department of Labor,
2016, http://www.bls.gov/news.release/union2.nr0.htm; Gerald Mayer, Union Membership
Trends in the United States (Washington, D.C., 2004),
http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1176&context=key_workplace.

4 OECD, “Trade Union Density,” OECD.Stat, accessed May 20, 2016,

5 Ibid.

6 Tran Van Minh, “Thousands of Workers Strike for 6th day at Nike, Adidas Factory in

7 Kramer, Andrew E. “Unpaid Russian Workers Unite in Protest Against Putin.” The New York
Times. April 22, 2015.

8 See, for example, “Postcard from Iran: Wave of Strikes Shakes Tehran,” Der Spiegel, 2006,
http://www.spiegel.de/international/postcard-from-iran-wave-of-strikes-shakes-tehran-a-
411083.html.

9 On labor activism and violations of worker rights in several of these countries, see International
Trade Union Confederation, ITUC Gobal Rights Index 2015: The World’s Worst Countries for
Workers (Brussels, Belgium, 2015).


20 David Art, “Review Article: What Do We Know About Authoritarianism After Ten Years?,” *Comparative Politics* 44 (April 2012), 351–373.


34 Ching Kwan Lee, Gender and the South China Miracle: Two Worlds of Factory Women (Berkeley: University of California Press, 1998); Sally Sargeson, Reworking China’s Proletariat (New York: St. Martin’s, 1999).


38 Ibid.


46 Theda Skocpol, States and Social Revolutions: A Comparative Analysis of France, Russia and China (New York: Cambridge University Press, 1979). For an example of how the concept has been applied to a particular region, the Middle East, see Eva Bellin, “The Robustness of Authoritarianism in the Middle East: Exceptionalism in Comparative Perspective,” Comparative Politics 36 (January 2004), 139–157. Yet another way of understanding the sort of regulative capability discussed here is as a combination of Michael Mann’s “despotic power” (defined as
“power by the state elite itself over civil society”) and “infrastructural power” (“the power of the state to penetrate and centrally co-ordinate the activities of civil society through its own infrastructure”). See Michael Mann, “The Autonomous Power of the State: Its Origins, Mechanisms and Results,” *European Journal of Sociology* 25 (1984), 185–213.


48 See de Mesquita et al.


54 This has been called the “insurgency trap.” See Eli Friedman, *Insurgency Trap: Labor Politics in Postsocialist China* (Ithaca: Cornell University Press, 2014).


59 Hurst, ch.1; Lee 2007.
This was evident during the SOE protests in the late 1990s and early 2000s. See Hurst, ch. 3-4.

Lee 2007, ch. 6.


I assume that groups continue to exist for all subsequent years of the dataset once established. This assumption is reasonable: although organizations change names and reorganize when pressured by authorities, they rarely fully disappear. Groups that have gone through several iterations only appear once in the CLB list.

Collective contracts in China often simply restate the two parties’ normal obligations under the law. “Wage only” collective contracts presumably deal with the more concrete issue of earnings.

Friedman 2014; Pringle 2011


Kevin J. O’Brien and Lianjiang Li, Rightful Resistance in Rural China (New York: Cambridge University Press, 2006).


