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Abstract

Purpose – The purpose of this paper is to explore China's labour dispute arbitration system reform through analysing the degree to which it has attained its stated objectives – notably, independence, justice, efficiency and professionalism – from the perspectives of the arbitrators, previously ignored in research on China.

Design/methodology/approach – This paper used a mixed research method using questionnaires and interviews. Questionnaires were sent to all full-time labour dispute arbitrators in Beijing, China with a useable response rate of 71 per cent. Additionally, qualitative semi-structured interviews were conducted with 24 key stakeholders involved in the arbitration process.

Findings – Instead of establishing an impartial platform, the arbitration system endeavours to promote the state's capacity to rule over labour relations. Its recent reform excluded arbitrational independence owing to concerns about reducing the Chinese Communist Party's arbitrary power. Arbitrational justice was perceived to improve through case resolution efficiency, which made arbitrators minimise arbitration time, partly because of high caseloads but largely because of their key performance indicators. Quality of arbitration was compromised. The arbitrators understood the spaces and boundaries of the reform, and focused on increasing professionalism to enable them to more fluidly manoeuvre between the different political economic interests, above safeguarding labour rights.

Research limitations/implications – The questionnaire size was too small for regression analysis. Future research should expand the sample sizes and conduct cross-regional studies.

Practical implications – In 2008, China undertook an arbitrational system reform – probing its practical influence contributes to the authors understanding about the changing institutional environment of Chinese labour relations.

Originality/value – As a pilot study on labour dispute arbitrators, this research presents the dynamics of the Chinese labour dispute resolution mechanism.

Keywords China, Industrial relations, Chinese labour law, Employment legislation, Labour dispute arbitration system

Paper type Research paper

Introduction

This study of the dynamics of China's labour dispute resolution mechanism – an essential component of the country's labour and employment law system – reviews the interactions among labour relations actors, and probes how the Chinese state intertwines with the global and domestic markets. In the two decades since China's enactment of the Labour Law 1995[1], labour-capital conflicts have intensified. The number of labour dispute cases skyrocketed from 48,121 in 1996 to 1.497 million in 2013 (China Labour Statistical Yearbook, 2014). According to the official statistics, 30.65 per cent of incidents of collective civil unrest in China[2] were caused by labour-capital disputes between 2000 and 2013

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(Li and Tian, 2014), while, in some highly industrialised regions, one wildcat strike mobilising more than 100 worker participants erupted every three days[3]. China's labour dispute resolution mechanism is under enormous pressure. This paper is a pilot study about the Chinese labour dispute arbitrators and explore the dynamics of the Chinese labour dispute arbitration system through the arbitrators' perspectives. The paper studies the outcomes of arbitrational reform following the enactment of the Labour Dispute Mediation and Arbitration Law (LDMAL) of China in 2008. It draws on the perspectives of the full-time arbitrators, who are on the frontline of China's labour and employment law system and have been neglected in the existing literature.

Understanding the development of China's labour dispute resolution mechanism

The Chinese labour dispute resolution mechanism operates in a different political and economic environment than its counterparts in the USA and the UK. China does not have an independent judicial system, and the law acts as a part of the governing toolkit of the ruling Chinese Communist Party (CCP), instead of as an impartial institution. The introduction of the country's labour and employment law system[4], along with its labour dispute resolution mechanism, was to serve three objectives (Brown, 2010; Gallagher, 2005; Guan, 2001; Taylor *et al.*, 2003):

(1) promoting economic growth through marketisation;

(2) strengthening CCP legitimacy by institutionalising its arbitrary power over other actors of labour relations; and

(3) maintaining labour peace by safeguarding basic workers' rights to assist marketisation and guarantee CCP authority.

When the Labour Law 1995 took effect[5], China was transitioning from a centrally planned economy to a market-oriented one. The law had to take into account not only China's socialist legacy but also the demands of marketisation and globalisation. At the time, it contained some of the most progressive and strict labour statutes in the world (Brown, 2010; Cooney, 2007; Gallagher, 2005), while dismissing labour-capital autonomy by legalising the state's ascendency over labour relations.

Individual and collective labour disputes have to go through the same judicial procedure (Labour Law 1995: arts. 77, 79, 84), and Chinese trade unionism is unitary under the CCP leadership (Trade Union Law 2001: arts. 2, 4, 5)[6], – only the CCP-affiliated All-China Federation of Trade Unions (ACFTU) and its subordinate unions can represent collective labour rights (Pringle, 2011). Labour dispute resolution agencies do not need to verify ACFTU's workplace representation right; the Chinese labour and employment law system simply refers to the number of workers involved in a case when considering whether to categorise labour disputes as "collective". In practice, a case involving more than three workers was classified as a collective dispute until 2008, when the LDMAL 2008 (art. 7)[7] lifted the threshold to ten workers.

The Labour Law 1995 established the structure of the Chinese labour dispute resolution mechanism, described as "one mediation, one arbitration and two court rulings" ("一调一裁两审") (see Figure 1). Mediation by the enterprise labour dispute mediation committee or community people's mediation committee is the first step (Halegua, 2008), but is voluntary. Despite the system's encouragement of mediation, which takes place at several stages of arbitration rulings and court hearings, disputants can refuse to engage in mediation and skip the procedure. Should the parties of the dispute fail to reach a mediation agreement, the dispute is brought to arbitration, before turning to litigation.

Arbitration is the first compulsory procedure of the Chinese labour dispute resolution mechanism (Labour Law 1995: art. 79). It is applicable to both individual and collective labour dispute cases, and acts as a filter to prevent too many cases from going to court. Labour Dispute Arbitration Committees (劳动争议仲裁委员会, or LDACs), working under the labour administrative agencies of the government[8], perform the arbitrations. After an arbitration decision is awarded, a party unsatisfied with the decision can file their case in the local court. Parties may also appeal the first court's decision. A decision from the appeal court, however, is final.

Meanwhile, the political economy of China's labour relations has altered through the country's increasing integration into the global economy, along with its privatisation of state-owned enterprises. In 2001, China entered the World Trade Organization; global investment and domestic industrialisation hastened, with cheap labour seen as an essential competitive advantage. More than 225 million internal labour migrants left their rural hometowns for the newly industrialised urban areas every year (National Bureau of Statistics of China (NBS), 2014), and most ended up in the secondary labour market with few labour rights protections (Chan, 2010; Gallagher, 2005). Meanwhile, aggressive state-owned enterprise privatisation started in the late 1990s, in order to raise economic productivity by reducing the redundant workforce in the state-owned sectors. From 1998 to 2004, 32.43 million workers were laid off during the privatisation process (China Labour Statistical Yearbook, 2005) – many without reference to proper labour law procedures. Neither did the workers receive the authorised amounts of compensation, as both the central and local governments were worried that high labour standards could halt economic growth. Consequently, different local governments twisted the laws by not enforcing some of the key labour rights. The central authorities turned a blind eye to this, and selective implementation became the norm (Brown, 2010; Cooney, 2007; Dong, 2006).

Thus, the labour dispute resolution mechanism was impeded. Many researchers (e.g. Brown, 2010; Cooney, 2007; Dong, 2006; Gallagher and Dong, 2011) have argued that Chinese labour standards were broad in the books but thin on the ground because of their selective implementation and the deliberate local ignorance of national labour statutes. According to the then-vice chair of the National People's Congress of China (NPC), an NPC inspection of the enforcement of the Labour Law 1995 in 2005 found that the law was widely disregarded, with only 20 per cent of surveyed workers having employment contracts in some sectors (He, 2005). Both the workers and their employers had little trust in the labour and employment law system, or its labour dispute resolution mechanism.

Later, structural changes drew the CCP's attention to labour legislation. On the one hand, China had begun to climb up the global production network from labour-intensive manufacturing to high value-added production. Cheap labour was no longer regarded as the sole source of competitive advantage, since the newly upgraded industries required a well-educated and highly skilled workforce. On the other hand, the labour

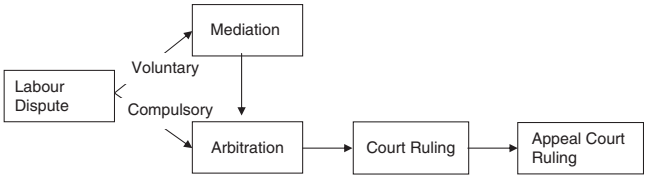

Figure 1.
China's labour dispute resolution mechanism

market restructured, due to declining population growth. Redundant labour supply gave way to excessive labour demands for the first time since 1978 (Cai and Du, 2011). Furthermore, the new generation of Chinese workers were more active in launching collective actions such as wildcat strikes and public demonstrations to pursue their rights and interests (Chan, 2010; Friedman and Lee, 2010). These escalating labour pressures altered the labour relations' equilibrium.

As a response, the CCP tightened its rule-making power to maintain its political supremacy. The Fourth Plenum of the 18th CCP Congress in October 2014 declared that the building of a "socialist rule of law with Chinese characteristics" would strengthen the CCP leadership by issuing a series of laws and thus restore CCP dominance over the changing political economy (Xi, 2014). Judicial independence and separation from political power were out of the question. In the field of labour relations, the CCP tried to retain its power by introducing several labour legislations, such as the LDMAL 2008, which aimed to reinforce the role of the state in adjusting labour-capital relations through enhancing the procedural rules of labour dispute resolution.

However, the three overarching objectives of the labour and employment law system (noted above) complicated the situation, and caused difficulties for labour dispute resolution agencies, as it was often difficult to balance the disparate interests of the state, the market and the workers. Neither the workforce nor the employers expected rulings in the labour dispute resolution mechanism to be impartial from the influences and interests of the state. The credibility of the Chinese labour dispute resolution mechanism was thus compromised.

Attempting to improve the mechanism's integrity, the LDMAL 2008 offered some procedural support to workers. A "fast track" was established that allowed cases of violations of basic substantive labour rights, such as unpaid wages, medical payment for a work injury or severance payment, to bypass arbitration and go directly to court (LDMAL 2008: arts. 44, 47). Yet, it proved hard to implement these articles, since the worker plaintiff had to show an employer's consent statement to the court to admit the employer's wrongdoings. And, if the case had multiple claims, the fast track could not be applied. Nor could the case involve large sums of money (LDMAL 2008: art. 47). In practice, labour dispute cases usually featured multiple claims, and few employers would admit their illegal doings by consenting to a worker's charges. Published court statistics from Beijing illustrated that the number of such cases accepted by a local court dropped to zero from 2007 to 2011 (Lu, 2011). Therefore, the fast track was seldom applicable. "One mediation, one arbitration and two court rulings" remained the core of the labour dispute resolution mechanism, with arbitration an indispensable step.

Internationally and domestically, Chinese academics pay a lot of attention to the effectiveness of labour dispute arbitration. Based on the perspective that labour and employment laws should above all protect workers' rights, the existing literature criticises China's labour dispute arbitration process, and conceives that its institutional design is flawed, impeding its effectiveness. First, these studies (e.g. Beijing Labour and Social Security Law Association, 2009; Brown, 2010; Dong, 2006; Hou, 2011; Programme Taskforce of Labour and Personnel Dispute Resolution Special Committee, 2011; Shen, 2007; Zheng, 2007) note a disconnection between LDACs and the courts, pointing out that the two often apply different judicial standards. Theoretically, both LDACs and the courts apply the same laws. However, LDACs work under the State Council's labour administration, and are therefore also subject to administrative directives issued by the Ministry of Human Resources and Social Security (MoHRSS) or its sub-agencies. The courts, meanwhile, must implement judicial interpretations and other guidance from

China's Supreme People's Court, as well as from provincial, municipal or other higher-level courts – but will not apply regulations made by the labour administration. As a result, arbitral awards are often different from court verdicts, which frequently modify or reject the outcome of the arbitration. Thus, some scholars argue that compulsory arbitration is unnecessary and duplicates judicial costs (Cooney, 2007; Shen, 2007; Zheng, 2007).

Second, many researchers believe that the labour dispute arbitration system's ability to resolve disputes is severely hindered (e.g. Beijing Labour and Social Security Law Association, 2009; Brown, 2010; Cooney, 2007; Institute of Labour Studies of MoHRSS (ILS), 2004; Halegua, 2008; Programme Taskforce of Labour and Personnel Dispute Resolution Special Committee, 2011; Shen, 2007; Zheng, 2007). Arbitration awards may be appealed, and an LDAC does not have the authority to enforce its own decisions. When a losing party refuses to comply with an arbitration award, the prevailing party must bring the case to court for enforcement. Non-binding arbitration increases the costs for the workers protecting their rights, and prolongs the resolution period.

Meanwhile, arbitration is locally administered. As the terminologies in the national laws are generally vague, legal standards depend on local governments to interpret and enforce them. There is no national LDAC at the central level, with the committees only operating at provincial, municipal and district levels. LDACs report to their local bureaus of human resources and social security (BoHRSS), instead of to MoHRSS, which has no control over the purse strings and personnel management of the arbitrators. Under this institutional arrangement, identical facts may produce different verdicts in different localities.

Moreover, the professional qualifications of the labour dispute arbitrators and judges are not the same, even within a single jurisdiction. Would-be judges have to pass the National Judicial Examination administered by the Ministry of Justice, whereas arbitrators need just take the local civil servant entrance examinations, which are prepared by different provincial, municipal and district governments. The two types of examinations focus on testing different qualifications and give rise to different professional perspectives between the arbitrators and judges, who are then likely to hold contradictory judicial opinions. This weakens the homogeneity of China's labour dispute resolution mechanism.

Consequently, most existing studies (e.g. Cheng and Wang, 2012; Shen, 2007; Zheng, 2007) conclude that China's labour dispute arbitration is ineffective and should be reformed. The researchers mainly develop their arguments for this from the perspectives of the rule of law and labour rights protection. The present study recognises, however, that China is not a rule-of-law country – although many assert that China needs such a rule-of-law system to manage varied societal and market challenges (He, 2012; Peerenboom, 2002; Saich, 2011; Yu, 2010). The CCP prefers to reinforce its rule-making power to coordinate the demands of different actors in the CCP hierarchy, rather than allowing judicial independence or checking the state's behaviours. So, any reform of China's labour and employment law system, along with labour dispute arbitration, is targeted at restoring the state's power over labour relations by making the labour dispute resolution mechanism more efficient – there is no interest in reforms that will separate arbitration from the state's control. Accordingly, Chinese lawmakers bear different concerns about the arbitrational effectiveness than do their western counterparts in the UK or USA.

Actually, the CCP also realises that ineffective arbitration could inhibit its capability in governing labour relations. Senior officials have pointed out the necessity to increase judicial credibility by raising its efficiency, justice and professionalism[9]. Two government reports – published before and after the adoption of the LDMAL in 2008 – admitted

that arbitration was deficient in filtering labour dispute cases from going to court, or from escalating to labour protesting (ILS, 2004; Programme Taskforce of Labour and Personnel Dispute Resolution Special Committee, 2011). Consequently, the MoHRSS (2010, 2012) undertook an institutional reform to invigorate arbitration's credibility, and labour dispute arbitration courts (劳动争议仲裁院; hereafter, "arbitration courts") were introduced[10]. The arbitration courts supplanted LDACs by taking over their operations and personnel, while extending their administrative capability through establishing a coordinative relationship with the local judicial courts. Joint interpretations of law and case guidelines could be issued (MoHRSS, 2012), and the disconnection between the LDACs and the courts thereby reduced. The creation of these new institutions did not change a party's right to go to a judicial court after an arbitration concluded. However, the interorganisational cooperation did ensure that arbitrators and judges followed the same legal standards, and sought to minimise the personal influences of either the individual arbitrators or judges over case rulings. This addressed the situation of cases receiving contradictory verdicts in arbitration and in court. In addition, a joint law enforcement mechanism was set up, and the courts did not need to review arbitration awards on substantive claims during hearings. Judicial costs could thus be contained. The MoHRSS (2012, p. 2) planned to introduce arbitration courts to all Chinese cities before 2017, and, in 2013, 72.7 per cent of cities had the courts (State Council Information Office of China, 2014, p. 2).

Such arbitrational reform may change the equilibrium of Chinese labour relations. That is, provided the labour standards are fully implemented, interactions among labour relations actors are likely to be converted. Personnel are essential components of a reform process. As has been shown in empirical research about the Chinese courts, judges are often against judicial reforms (Li, 2012; Wang, 2013), due to a concern that any change of the current institutional arrangements might jeopardise court funding and judges' incomes. Thus, the considerations of the labour dispute arbitrators cannot be overlooked if we are to comprehend fully the effects of arbitrational reform.

Four criteria for strengthening arbitration's effectiveness were set out in LDMAL 2008 (art. 3), and we use these criteria to explore arbitrators' perspectives on arbitrational reform: judicial independence, arbitrational justice, arbitrational efficiency and arbitrators' professionalism. The paper is divided into five parts. First, the study's research method is detailed. Next, the study sample's perceptions about the progress and boundaries of arbitrational reform towards independence are presented. Then, the arbitrators' viewpoints on arbitrational justice and efficiency are evaluated through analysis of their key performance indicators (KPIs). The fourth part looks at arbitrators' professionalism, including their career commitments, educational backgrounds and job satisfaction. Finally, the conclusion discusses whether arbitrational reform has the potential to protect labour rights and promote the rule of law in China, and thereby to change the country's labour-relations situation.

Methodology

This paper used a mixed research method approach, including archive studies, questionnaires and interviews. The fieldwork was conducted in Beijing Municipality – the economic and political centre of the country, featuring a population of 21.15 million in 2013 (*Beijing Statistical Yearbook*, 2014) – from December 2012 to July 2013. We examined labour dispute arbitration in China's capital for two reasons. First, it usually adopts policies that have proved well developed elsewhere in the country, so its labour dispute arbitration should display representative tendencies of arbitrational reform

overall. Two, Beijing Municipality had an annual average of 86,813 labour dispute cases, the second largest in China, between 2009 and 2012[11]. Arbitration was under enormous pressure, and its reform started in 2011 (*Beijing Evening Newspaper*, 2011).

Three administrative districts in Beijing Municipality – Haidian District, Dongcheng District and Yizhuang, Beijing's Economic and Technology Development Zone – were selected. Haidian District often handles the most labour arbitration cases of Beijing Municipality, and was the first place to introduce arbitrational reform. Dongcheng District is regarded as a politically "core district" by the central government, as it houses the CCP headquarters and most of the central government's office buildings. Arbitrational reform began in Dongcheng in 2013. Yizhuang is Beijing's main industrial area, but arbitrational reform had yet to be introduced during the research period. In the three districts, the labour dispute arbitration bodies were the Labour and Personnel Dispute Arbitration Court of Dongcheng District, the Labour and Personnel Dispute Arbitration Court of Haidian District and the Labour and Personnel Dispute Arbitration Committee of Yizhuang Economic and Technology Development Zone.

A questionnaire comprising 34 questions was designed to acquire the following information from the study's labour dispute arbitrators:

(1) personal details, including gender, age, education, years of service, etc.;

(2) experiences of dealing with labour dispute cases, including workloads, settlement techniques, etc.;

(3) views on the causes and settlements of labour disputes;

(4) views about the Chinese labour and employment law system and the labour dispute resolution mechanism;

(5) views about the effectiveness and drawbacks of labour dispute arbitration and its reform;

(6) suggestions on how to improve labour dispute arbitration; and

(7) feelings about being an arbitrator, including the reasons for choosing the job, work pressures, job satisfaction, career development plans, etc.

The authors distributed 86 questionnaires to all full-time labour dispute arbitrators in the three sampled administrative districts, with official approval from the local labour administration representatives: 63 were completed, with a response rate of 73.3 per cent; two questionnaires were discarded for not meeting research requirements. The questionnaires were coded for statistical analysis. In total, the survey represented 70.9 per cent of the full-time arbitrators in the three districts during the research period.

Later on, in-depth interviews were conducted with 24 key stakeholders involved in the arbitration process. The interviews were qualitative semi-structured. The researchers interviewed three directors of arbitration agencies in the sample districts, along with nine senior arbitrators, who had more than three years' arbitrational experience. Interviews with two lawmakers from the NPC and ten central labour officials were also undertaken. All of the interviews were held in the offices of the respondents. Each interview lasted for around an hour, with two researchers talking with one interviewee in the Chinese language. As recording equipment was barred from use in the government buildings and lawmakers' offices, the researchers took extensive notes, which were later written up as transcripts. The interview transcripts were also coded in lines with the interviewee's organisation, job title and the date of interview, in order to assist the researchers to understand the questionnaire results and grasp the dynamics of the labour dispute arbitration system.

Admittedly, being a pilot study about labour dispute arbitrators, the questionnaires were not large enough to apply regression analysis, while the sample has been sufficient in drawing the tendency of the current Chinese labour dispute arbitration system. In addition, the research lacked cross-regional comparative evaluation, and some researchers (Davies and Ramia, 2008) have found that different local governments adopt differentiated labour policies to meet with the development of the local markets, so prospective studies are advised for future research to enlarge the study sample and cover more regions.

Findings

Inhibited reform towards arbitrational independence

As widely accepted norms, the rule of law and judicial independence are perceived as fundamental to promoting market development. In China, as labour resistance intensified (Chan, 2010; Friedman and Lee, 2010; Su and He, 2010; Wang, 2008), labour dispute arbitration has become increasingly important in stabilising relations among the state, market and workers. Many international and domestic academics have advocated arbitrational independence from the CCP (Cooney *et al.*, 2013; Gallagher and Dong, 2011; Shen, 2007). Even an internal government report recommended that an independent arbitration system could bring about a decrease in labour conflicts (ILS, 2004). The MoHRSS (2010, 2012) has also stated that one objective of creating the arbitration courts was to offer more arbitrational independence. From May 2011 to October 2014, half of the LDACs in Beijing were transformed into arbitration courts.

The perceptions and behaviours of the labour dispute arbitrators were of significance during the arbitrational reform process. Like the Chinese judges' experience of court reforms (Li, 2012; Wang, 2013), the arbitrators surveyed in our study understood the importance of reform to their institutions, but were reluctant to ask for independence from the state as they were concerned about losing personal benefits. In the sampled districts, no arbitrators ranked arbitration as "very effective" in implementing labour and employment laws, with 39 per cent saying that arbitrational effectiveness was "just so-so" (see Table I). Although no arbitrators regarded arbitration as ineffective, they believed that arbitrational reform was inevitable. A senior arbitrator observed:

> Labour dispute arbitration is losing accountability towards not only the workers, but also the employers and state […]. The biggest problem of China's labour dispute arbitration is the [labour dispute arbitration] committee does not have judicial legitimacy. The committee is affiliated under the BoHRSS, and does not have the power to enforce the law independently. People question our neutrality. The problems are here because the system is not independent (26/01/2013, Haidian District).

	Frequency	%	Effective %
Total	61	100.0	100.0
Very effective	0	0	0
Effective	36	59.0	61.0
Just so-so	23	37.7	39.0
Not effective	0	0	0
Completely ineffective	0	0	0
Unanswered	2	3.3	–

Table I. The assessments on arbitration's effectiveness in enforcing the legal labour standards

Most of the surveyed arbitrators shared this perspective, stressing that independence was crucial if arbitration is to be effective. Three-fifths of the arbitrators considered lack of independence to be the biggest obstacle to arbitration's effectiveness, while 25.5 per cent blamed other related institutional arrangements, such as finance, personnel management and organisational design (see Table II).

However, when asked if arbitrational independence could benefit their personal career development, the majority of the arbitrators gave a negative reply (see Table III). In spite of their criticism of it, the arbitrators admitted that the CCP was their power source. They were familiar with the norms under the CCP's hierarchy, whereas reforms leading to arbitrational independence would bring them into uncharted waters. As explained by another senior arbitrator:

> Independence from the state is ideal, but not realistic. It is against the CCP system. In the end, we are all civil servants employed by the CCP. What we want from independence are more fiscal resources and power. Being completely independent from the state can be harmful. If we were independent from the CCP, do you think it would continue to support us?! (01/07/2013, Haidian District).

Thus, instead of endeavouring to separate from the state, the arbitrators preferred to use arbitrational reform as an opportunity to extend their own power within the CCP system. Further, the surveyed arbitrators believed that arbitrational reform should grant them exclusive authority in the field of labour dispute resolution. Through the premise of reforming towards arbitrational independence, the arbitrators expected to establish an institution and have their power unchecked. Table IV shows that nearly 40 per cent of the arbitrators said it was necessary to follow the tripartite principle – but they interpreted the tripartite participation as having the other two parties working under the supervision of an arbitrator. As a senior arbitrator, explained:

> Tripartite principle is important and necessary for arbitration. By having the trade union and employers' association sit in the arbitration, we can lead, guide and educate them. So, they will

Table II.
The biggest obstacle of arbitration's effectiveness

	Frequency	%	Effective %
Total	61	100.0	100.0
Arbitration is not independent	34	55.7	57.6
Limited budget and unqualified personnel	9	14.8	15.3
Institutional design is biased, and benefits specific interest groups or actors	6	9.8	10.2
Arbitration rulings are unprofessional and inconsistent	6	9.8	10.2
Others	4	6.6	6.8
Unanswered	2	3.3	–

Table III.
If the labour dispute arbitration is independent from the state, will it be helpful for your career?

	Frequency	%	Effective %
Total	61	100.0	100.0
Helpful	10	16.4	16.9
Not helpful	49	80.3	83.1
No idea	2	3.3	–

> learn from us, and understand our power and authority […]. The trade union and employers' association certainly cannot participate in the arbitration process. They should simply act as the observers, who sit in quietly and listen to our instructions. The usage of their appearance can show the arbitration's legitimacy to the disputants (29/01/2013, Dongcheng District).

Another 37.7 per cent of the surveyed arbitrators refused tripartite engagement, though a director of an arbitration court stated:

> [Arbitrational] independence has the advantage [of giving] more decision-making power to us. The tripartite principle is useless for labour dispute arbitration. Other stakeholders do not have the professional knowledge, compared to the arbitrators. Nor do they have funding to organise the arbitration. We do not have the need or budget to bring the trade union or employers' association […] into the arbitration process […]. Their participation can reduce credibility and capability of arbitration (29/01/2013, Dongcheng District).

The MoHRSS was also cautious about arbitrational reform; in particular, regarding any effect it might have on the CCP's supremacy in the labour relations system. As affirmed by the director general of the Department of Mediation and Arbitration, MoHRSS:

> Our goal is to establish independent labour dispute arbitration institutions in all municipalities and counties of China. By saying "arbitrational independence", this Ministry means the independent fiscal source and personnel management system (06/05/2013, MoHRSS).

In the name of increasing arbitrational independence, more funding and personnel were allocated to the arbitration courts. Empirical studies (Wang, 2013) have shown that under-financed courts and judges often conduct unlawful activities to secure extra sources of funding, while richly funded courts are more effective in following CCP orders. The labour dispute arbitration system was in a similar predicament. By transforming LDACs into arbitration courts, though, the reform process allowed the arbitration courts to control their budgets and staff, which used to be in the hands of the local BoHRSS. New courtrooms, facilities and information technology networks were installed. In addition, staff numbers grew in the arbitration courts (see Table V),

Table IV. Is it necessary for the labour dispute arbitration court to follow the tripartite principle?

	Frequency	%	Effective %
Total	61	100.0	100.0
Necessary	24	39.3	40.0
Unnecessary	23	37.7	38.3
No idea	13	21.3	21.7
Unanswered	1	1.6	–

Table V. The numbers of the full-time labour dispute arbitrators in the sampled districts

	DC district[a]	HD district[b]	YZ district[c]
Pre-reform	28	15	7
Post-reform	45	60	7
Percentage of increase	60.7%	300%	0

Notes: [a]DC refers to Dongcheng District Labour Dispute Arbitration Court; [b]HD refers to Haidian District Labour Dispute Arbitration Court; [c]YZ refers to Yizhuang Economic and Technology Development Zone Labour Dispute Arbitration Committee. In YZ District, no arbitrational reform takes place

so that arbitration's capacity could be increased, too. The director of the arbitration court in Haidian District noted:

> The budget increases every year after the arbitration court was built in 2011. The budget of the arbitration court is at least five times more than that of [the] LDAC (10/07/2013, Haidian District).

However, except for the increased budgets and staffing levels, there are no structural differences between the LDACs and the arbitration courts. Any attempts to promote arbitration's autonomy and separation from the CCP have been rejected. The MoHRSS has no plans to integrate locally affiliated arbitration into a more centralised structure. It has dismissed the possibility of building a national arbitration court; the newly established arbitration courts are still controlled by local governments, and the MoHRSS has expressed no intention to exert direct supervision. As a deputy director general from the MoHRSS explained:

> [This Ministry] must decentralise arbitrational power, and give more space to the local authorities. Otherwise, all the conflicts will come to the central government […]. In this sense, the central labour officials are going to be overrun. We are more suitable to issue policies. This Ministry would rather let the local arbitrators care about handling the labour dispute cases, because we cannot afford to let the cases come to the central level. It's too troublesome (12/03/2013, MoHRSS).

Therefore, arbitrational reform serves as a tactic to relocate more administrative resources towards increasing the efficiency of arbitration under the current institutional arrangement, instead of an undertaking to separate arbitration from the state. In spite of the importance of judicial independence identified by the existing literature, the CCP has made it clear that any reforms should bear the ultimate purpose of strengthening the effectiveness of the judicial organs as the "knife hilt of the Party"[12] to punish those challenging the CCP regime.

Connecting arbitrational justice with arbitrational efficiency

Justice and arbitrational efficiency are another two criteria of China's arbitrational reform. While an independent arbitration system has not proved possible, just and efficient arbitration could still safeguard labour rights and prevent powerful labour relations actors from abusing their power against the lawful interests of others.

In the recent decade, around two-thirds of arbitration cases were brought by the workers, with violations of basic substantive labour rights, such as unpaid wages, excessive overtime and an absence of social insurance, being the most common claims[13]. In Beijing, more than half of labour dispute arbitration cases since 2008 have been about wage arrears[14]. Workers were becoming increasingly frustrated about the power structure of labour relations, and were more willing to express their discontent by staging wildcat strikes or demonstrations (Chan, 2010; Su and He, 2010; Wang, 2008). A senior labour official from the Beijing municipal government reported that sometimes he could encounter two or three workers' protests in one week (see footnote 14).

The CCP determined that justice embedded with efficiency would raise arbitration's effectiveness in solving labour conflicts. In this view, workers – especially China's numerous rural migrant workers – care more about settlement speed, because they do not have the financial and time resources to become entangled in prolonged judicial proceedings (Halegua, 2008). The President of the Supreme People's Court of China maintained that swiftness was the basis for achieving judicial justice

(Zhou, 2014). The MoHRSS (2010, 2012) stated that arbitrational reform would realise justice through raising arbitrational efficiency, and prompted the arbitration courts to hasten throughput, in order to ease the labour-capital tensions.

The LDMAL 2008 (art. 43) regulates that arbitration must conclude within 45 days after a case is accepted. A 15-day extension can be made if the case is "complex". After 2008, the most important KPI of an arbitrator[15] was "efficiency", measured by how fast she or he closed cases – especially collective labour dispute cases. Fast resolution became critical, as one arbitrator described:

> [The CCP's] theory is that, the more cases you settle, the more justice you achieve in your rulings. So, [the] KPI is basically connected with the number of our cases, i.e. how many cases an arbitrator can solve every month, every quarter and every year. In theory, the more cases you conclude, the better your performance is (01/07/2013, Haidian District).

Labour dispute cases are overwhelming in quantity, even though the introduction of the arbitration courts increased the number of full-time arbitrators. A government study found that the workloads of the arbitrators were too heavy to meet the time limit set by the LDMAL 2008 (Programme Taskforce of Labour and Personnel Dispute Resolution Special Committee, 2011). In our study's sampled districts, an arbitrator had to handle a monthly average of 22 cases in 2013 (see Table VI). In the Yizhuang Economic and Technology Development Zone, the caseload was the heaviest, with each arbitrator there having to conclude at least one case every day in 2013.

According to the efficiency KPI of the arbitrators, more case settlements indicate better performance. Table VII shows that 84.3 per cent of the surveyed arbitrators had to conclude more than ten arbitration cases every month, while nearly 20 per cent even managed to close more than 30 arbitration cases in one month. A senior arbitrator, explained:

> The arbitrators do their best to rule as many cases as possible. If you can only decide one or two cases per week, this means you will be out soon. Sometimes, the arbitration operates like a running competition. We are like the workers on the production line, whose credits come from how many product pieces you make (10/07/2013, Haidian District).

Table VI. How many cases did an arbitrator conclude every month in 2013?

	DC district	HD district	YZ district
Number of cases	20.55	16.67	33.75

Table VII. How many cases did an arbitrator usually conclude every month?

	Frequency	%	Effective %
Total	61	100.0	100.0
Less than 10	8	13.1	14.0
Between 11 and 20	28	45.9	49.1
Between 21 and 30	10	16.4	17.5
Between 31 and 40	8	17.1	14.1
Between 41 and 50	3	4.9	5.3
Unanswered	4	6.6	–

Yet, justice and efficiency do not always come together: enthusiasm on hastening the speed of closing cases can compromise the quality of arbitration, thereby undermining justice (Ji, 2013). In order to outperform on their jobs, the surveyed arbitrators tried to spend as little time as possible on the cases: 77.1 per cent finished an arbitration hearing within two hours, and nearly one-third of the hearings lasted for less than an hour (see Table VIII). More than 40 per cent of the arbitrators thought it useless to undertake field investigations before a hearing (see Table IX), because such investigations could be time consuming.

Nearly all the surveyed arbitrators concluded an arbitration after one hearing. As noted by a director of an arbitration court:

> If you are an experienced arbitrator, you can decide the case with only one arbitration hearing. If you are young and inexperienced, you may have to call on the second or third arbitration hearing […]. The arbitration courtrooms are limited. If you cannot decide the case quickly, you will keep occupying the courtrooms. This affects your colleagues. Their work efficiency can be affected (29/01/2013, Dongcheng District).

Rapid arbitration does not necessarily resolve disputes, though. From 2004 to 2013, half of the labour dispute cases were appealed to court after receiving arbitration awards (China Labour Statistical Yearbook, 2014; Hou, 2011). In some industrialised regions, the number of labour dispute cases filed with the judicial courts after receiving arbitration awards rose at an annual rate of 37.92 per cent from 2007 to 2012, although the number of the arbitration cases dropped by 414,000 during the same period (Jiangsu Provincial High People's Court, 2013). An assistant director of the arbitration court cautioned:

> In our arbitration court, 50-70% of the arbitration verdicts ended up in cases being filed with the [judicial] court. Deciding a case in arbitration does not mean the [arbitration] system can conclude the case. [The arbitrators] simply handed the cases over to the judges in court (26/01/2013, Haidian District).

Actually, the surveyed labour dispute arbitrators understood the shortcoming of linking justice with efficiency. When asked about opening more arbitration hearings, 88.7 per cent said that more hearings could improve the quality of their decisions (see Table X).

Table VIII.
How long did it usually take for a labour dispute arbitrator to finish an arbitration hearing?

	Frequency	%	Effective %
Total	61	100.0	100.0
Less than one hour	17	27.9	27.9
One-two hours	30	49.2	49.2
Two-three hours	12	19.7	19.7
More than three hours	2	3.3	3.3

Table IX.
Does an arbitrator think it necessary to undertake the field investigation about the arbitration case?

	Frequency	%	Effective %
Total	61	100.0	100.0
Very necessary	2	3.3	3.3
Necessary	21	34.4	34.4
Just so-so	12	19.7	19.7
Unnecessary	22	36.1	36.1
Very unnecessary	4	6.6	6.6

As arbitration is not independent from the state and there is no third party to monitor its operation, the reform initiative to improve arbitration's justice through raising efficiency may not be beneficial for the workers that access it. Instead, arbitrators usually convince or coerce the parties to settle their disputes quickly, regardless of safeguarding labour rights. Accordingly, mediation becomes attractive, since there are fewer procedural rules governing its conduct than for arbitration. In the sampled districts, many disputes never had an arbitration hearing. For instance, 60 per cent of the cases brought to Labour Dispute Arbitration Court of Dongcheng District were settled through mediation[16], which was widely adopted to hasten case resolution speed (Halegua, 2008; Ji, 2013). Considering that the majority of labour disputes in China are about the violation of substantive labour standards, mediation based on mutual compromises often harms labour rights. Thus, workers' discontents are not eased. Without establishing an independent arbitrational system, endeavours to raise arbitration's justice and efficiency can only be tactical rather than structural.

Arbitrators' professionalism

Another aspect of China's arbitrational reform concentrates on the system's personnel. The professionalism of full-time labour dispute arbitrators is important. Although some scholars assert that China is moving towards the rule of law (Peerenboom, 2002; Saich, 2011; Yu, 2010), this change has not been witnessed in the labour field. The arbitrators have to be capable of not only safeguarding the rule of labour relations, but also satisfying the changing interests of the Chinese state. Sometimes, this task is insurmountable. A government report recorded that the annual turnover rate of full-time labour dispute arbitrators in some regions was more than 40 per cent (Programme Taskforce of Labour and Personnel Dispute Resolution Special Committee, 2011, p. 16). Hence, the country's arbitrational reform process has put great emphasis on the capacity building of the arbitrators (MoHRSS, 2012), and anticipates that this increased professionalism can ameliorate problems with both arbitrational quality and case resolution speed.

Unlike in the UK or USA, where arbitrators and judges usually have a lawyer's qualification and often reach the advanced stages of career development before joining the arbitration system or court, China does not require its arbitrators or judges to hold bar licences or to be in the latter stages of their legal careers. In contrast, Chinese labour dispute arbitrators are always the freshmen of their careers; many take their positions immediately after graduating from school. As shown in Table XI, nearly half of the arbitrators were aged under 30, while 70.4 per cent had less than three years' judicial experience.

The system's reform has many reasons to increase arbitrators' professionalism. First, the commitment of arbitrators needs to be raised, as the state needs an able and stable arbitrational team. Here, political loyalty is the imperative criterion

	Frequency	%	Effective %
Total	61	100.0	100.0
Very necessary	9	14.8	14.8
Necessary	39	63.9	63.9
Just so-so	6	9.8	9.8
Unnecessary	7	11.5	11.5
Very unnecessary	0	0	0

Table X.
Is it necessary for an arbitration case to have multiple arbitration hearings?

(MoHRSS, 2012, p. 3). Table XII shows that all the surveyed arbitrators were CCP members. In the sampled districts, more than 90 per cent of the full-time arbitrators had joined the CCP[17].

Political loyalty restricts the arbitrators from being separate from the state. Table XIII shows that 50.9 per cent of the arbitrators were assigned to their posts either by their previous supervisors within the government or through the government programme to reassign demobilised military officers to civilian jobs. Just one-third made their own decision to become arbitrators.

Educational background is another important issue. During the Conference of Building National Labour and Personnel Dispute Resolution Effectiveness in 2013, MoHRSS[18] required all arbitrators to have completed higher education and possess professional knowledge about labour relations. Among the surveyed arbitrators, 98.4 per cent had finished higher education, with 63.9 per cent graduating from four-year undergraduate schools and 18 per cent obtaining postgraduate degrees (see Table XIV).

Most of the surveyed arbitrators graduated with liberal arts majors; 49.2 per cent held law degrees (see Table XV). Others studied management, human resource management, economics and labour relations, each potentially providing a good understanding about labour and corporate affairs.

Our survey also recorded improvements in arbitrators' job satisfaction levels following the system's reform: 70 per cent of those surveyed were satisfied or very satisfied with their jobs, and no one was very unhappy about their occupation

Table XI.
Ages and years of arbitration experience of the labour dispute arbitrators

	Frequency	%	Effective %
Total	61	100.0	100.0
Age groups			
Aged 20-29	29	47.5	47.5
Aged 30-39	19	31.1	31.1
Aged 40-49	7	11.5	11.5
Aged 50 and older	6	9.8	9.8
Years of arbitration experience			
Less than 1 year	19	31.1	31.1
1-3 years	24	39.3	39.3
More than 3 years	18	29.5	29.5

Table XII.
Political attachment of the labour dispute arbitrators

		Frequency	%	Effective %
Political attachment	CCP member	61	100.0	100.0

Table XIII.
How did the labour dispute arbitrators come to the current jobs as arbitrators?

	Frequency	%	Effective %
Total	61	100.0	100.0
Assigned by the government	27	44.3	44.3
It's my own decision to apply for the job	22	36.1	36.1
Demobilised from the military and assigned by the government	4	6.6	6.6
Others	8	13.1	13.1

(see Table XVI). For the eight unsatisfied arbitrators, who accounted for 13.1 per cent of the respondents, the main reason for their dissatisfaction was a heavy workload, which did not seem to bother the other arbitrators (see Table XVII). In addition, Table XVIII shows that most of the arbitrators were proud of their work, or felt self-achievement.

Overall, these findings suggest that arbitrational reform benefited the professionalism of the arbitrators, and maintained high levels of political loyalty, education and rates of job satisfaction among them. Turnover was reduced, too: among

	Frequency	%	Effective %
Total	61	100.0	100.0
Educational background			
High school or below	1	1.6	1.6
Two-year college	10	16.4	16.4
Undergraduate	39	63.9	63.9
Postgraduate	11	18.0	18.0

Table XIV. Educational backgrounds of the labour dispute arbitrators

	Frequency	%	Effective %
Total	61	100.0	100.0
Degree in			
Law	30	49.2	49.2
Human resource management	7	11.5	11.5
Management	7	11.5	11.5
Economics	6	9.8	9.8
Labour relations	5	8.2	8.2
Others	6	9.8	9.8

Table XV. Educational degrees of the labour dispute arbitrators

	Frequency	%	Effective %
Total	61	100.0	100.0
Very satisfied	10	16.4	16.7
Satisfied	32	52.5	53.3
Just so-so	10	16.4	16.7
Not satisfied	8	13.1	13.3
Very unsatisfied	0	0	0
Unanswered	1	98.4	

Table XVI. Job satisfaction of the labour dispute arbitrators

	Frequency	%	Effective %
Total	24	100.0	100.0
Too many works	8	33.3	33.3
Bad work conditions, e.g. poor salary and work environment	6	25.0	25.0
The disputants often have unreasonable demands	6	25.0	25.0
The job is tedious	4	16.7	16.7
Others	0	0	0

Table XVII. The reasons for the labour dispute arbitrators to be unsatisfied with the jobs (multiple choice allowed)

arbitrators in the arbitration courts, annual turnover rates were less than 3 per cent in 2012 and around 4 per cent in 2013 – much lower than before the reform process. This improved professionalism raises the individual capacity of the arbitrators and also compensates for arbitration's institutional shortcomings, which are not touched by other remedies of the arbitrational reform. This enables the arbitration process to function, and not to go out of CCP hands, despite the lack of structural reforms.

Conclusions

When the intensity of its labour-capital conflicts heightened, the Chinese state reacted by introducing arbitrational reform. The LDMAL 2008 (art. 3) regulates that the labour dispute resolution mechanism shall uphold the principles of legitimacy, justice and efficiency, and MoHRSS (2012) initiated the system's reform to increase independence, justice, efficiency and professionalism of arbitration. The arbitration courts were established and new efforts were made to raise arbitration's effectiveness. By analysing the perspectives of full-time labour dispute arbitrators, this paper evaluates the extent to which the system's reform can safeguard labour rights and contribute to the establishment of the rule of law in China.

Most existing literature argues that the legitimacy of labour dispute arbitration stems from its capacity to protect labour rights and to establish the rule of law – which cannot be achieved without arbitrational independence (e.g. Cooney *et al.*, 2013; He, 2012; Hou, 2011; Peerenboom, 2002; Saich, 2011; Shen, 2007). Although the CCP has begun to emphasise workers' rights, it is more focused on fixing the arbitration system's problems from within the current institutional arrangements. There are no attempts to undertake structural reforms that promote the separation of arbitration from the state.

Witnessing China's rapid economic growth, some researchers contend that authoritarianism and the rule of law can more efficiently allocate the necessary political economic resources to achieve the national development agenda (Coase and Wang, 2012; Halper, 2010). They argue that judicial dependency, along with active state intervention, helps to maintain a coherent state-market relationship and advances China's transition from a communist-styled command economy to a market-oriented one (Coase and Wang, 2012; Halper, 2010). Besides, there are very few demands from the market side to promote the rule of law. Private entrepreneurs are predominantly self-interested, and are sceptical about establishing a democratic and rule-of-law polity that could lead to uncertain political economic changes and harm their prosperity (Dickson, 2008; Tsai, 2007). Other labour-relation actors like the workers are too weak and fragmented to raise a collective voice for social change. Thus, the state sees no need to initiate structural reforms and alter the current labour relations system.

In this sense, the CCP simply views the law as a tool with which to rule, instead of as an independent issuer of rulings. Hence, it assesses the effectiveness of China's

Table XVIII. The reasons for the labour dispute arbitrators to be satisfied with their job (multiple choice allowed)

	Frequency	%	Effective %
Total	99	100.0	100.0
Arbitration gives me a sense of achievement	27	27.3	27.3
Arbitration exerts my capabilities	22	22.2	22.2
Arbitrators are very self-disciplined	21	21.2	21.2
I feel honourable and proud about the job	16	16.2	16.2
Work procedures are clear	11	11.1	11.1
Others	2	2.0	2.0

arbitrational reform in terms of whether it increases the state's capacity to rule over labour relations. Consequently, the state permits limited arbitrational independence by allocating increased fiscal and personnel management resources to the newly established arbitration courts. There is no national arbitration court, so, similar to the LDACs, the arbitration courts still have to answer to the local governments. This institutional arrangement leaves a lot of room for the central and local states to manipulate labour statutes. The chance of selective implementation of the legal labour standards thus remains significant.

To reduce labour disputes under the current institutional arrangements, arbitrational reform has targeted justice and efficiency. A quantitatively measurable scheme has been built to link justice with efficiency, due to the CCP's perception that Chinese workers prefer fast resolutions to prolonged due process examinations. Accordingly, arbitrators do their utmost to reduce arbitration time, partly because of the high caseloads but largely because their KPIs require that they handle as many cases as possible. Quality of arbitration is thereby compromised. Although many arbitrators concede lack of judicial independence as the main obstacle to arbitration's effectiveness, they understand the spaces and boundaries of the CCP's reform agenda and care more about expanding arbitration's resources, thanks to which professionalism has risen significantly. However, improved professionalism does not necessarily correspond to the enforcement of labour rights. In fact, it sometimes behoves arbitrators to be more capable of manoeuvring the interests of different labour relations actors and consider the administration of legal labour standards a lesser attainment.

Arbitrational reform has retained the power of the state over labour relations through raising the system's capacities and capabilities – and this lack of independence continues to undermine the credibility of China's labour dispute arbitration system. In the short term, the reform has indeed increased the strength of labour dispute arbitration and may enhance the system's effectiveness in implementing the interests of the state, but its impact in guaranteeing labour peace in the long run remains to be seen. Under China's current political economy, arbitrational reform is a spectrum of short-term fixes for its prominent labour-relations pressures, but it contains no resolution to compromise the dominant position of the state by setting up an impartial system to regulate the long-term dynamics of labour relations actors. While this paper developed its arguments merely from the field study in Beijing, the future researches could usefully address these issues in other regions. This research could assess whether there are regional variations in the perspectives of full-time labour dispute arbitrators towards the Chinese labour dispute arbitration mechanism, or whether the reform of the system has created similar countrywide effects.

Notes

1. China does not distinguish between labour and employment laws, and the Labour Law 1995 regulates both individual and collective labour rights.
2. Chinese official statistics label civil unrest as "mass incidents"; the publicised numbers were always lower than the actual figures, due to the government's concerns for its public image.
3. Data obtained from interviews with senior labour officials in Guangdong Province, March 2014.
4. China's labour and employment law system includes the Labour Law 1995, the Labour Contract Law 2008 (amended 2013), the Labour Dispute Mediation and Arbitration Law (LDMAL) 2008 and the Employment Promotion Law 2008.

5. The Labour Law 1995 (Order of the President No. 28) was adopted at the Eighth Meeting of the Standing Committee of the Eighth National People's Congress (NPC) on 5 July 1994, and effective as of 1 January 1995. An English version is available through the State Council web site: http://english.gov.cn./archive/laws_regulations/2014/08/23/content_281474983042473.htm (accessed 17 December 2014).
6. The Trade Union Law of the People's Republic of China (Order of the President No. 62) was adopted at the Fifth Session of the Seventh NPC on 3 April 1992, and amended at the 24th meeting of the Standing Committee of the Ninth NPC on 27 October 2001. An English version is available through the State Council web site: www.gov.cn/english/laws/2005-10/11/content_75948.htm (accessed 17 December 2014).
7. The LDMAL 2008 (Order of the President No. 80) was adopted at the 31st Session of the Standing Committee of the tenth NPC on 29 December 2007, and effective as of 1 May 2008. An English version is available through the State Council web site: http://english.gov.cn./archive/laws_regulations/2014/08/23/content_281474983042487.htm (accessed 17 December 2014).
8. Labour administration in China includes the Ministry of Human Resources and Social Security (MoHRSS) under the State Council, and the bureaus of human resources and social security (BoHRSSs) at the provincial, municipal, district and county levels.
9. CCP Conference of Politics and Legal Affairs, 8 January 2014. See speeches made by Meng Jianzhu, a CCP Politburo member and head of the Central Politics and Law Commission, and Zhou Qiang, a member of CCP Central Committee and President of the Supreme People's Court of China.
10. The first arbitration court was established in Shenzhen Municipality, Guangdong Province, in November 2001, to deal with a prospective increase of labour dispute cases following China's World Trade Organization accession in September. Later, arbitration courts were set up in several coastal industrial cities as policy experiments. In 2010, the MoHRSS decided to introduce the model countrywide.
11. Calculated using data from China Labour Statistical Yearbooks (various years, 2010-2013).
12. Xi Jinping, General Secretary of the CCP and President of China; CCP Conference of Politics and Legal Affairs, 8 January 2014. See also Commentator of People's Daily (2014).
13. Calculated using data from China Labour Statistical Yearbooks (various years).
14. Interview with the chief of the Labour Dispute Mediation and Arbitration Division of Beijing BoHRSS, 10 July 2013.
15. Besides efficiency, the KPIs include: quality of the rulings (measured by whether the wording on the awards follows the official guidelines and the official writing standards); quantity of the cases (measured by how many cases, especially collective labour dispute cases, an arbitrator takes); satisfaction of the disputants (measured by the numbers of complaints, complimentary letters and gratitude banners from the disputants). According to the Organisational Rules on the Arbitration of Labour and Personnel Disputes 2010 (art. 27), the performance of an arbitrator is evaluated every three years, and is the determinant of whether to terminate or continue an arbitrator's job.
16. Interview with the director of the arbitration court, 29 January 2013.
17. Interviews with arbitration directors, January-February 2013.
18. Keynote speech of Qiu Xiaoping, Vice Minister of MoHRSS; MoHRSS Conference of Building National Labour and Personnel Dispute Resolution Effectiveness, 26-27 January 2013.

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