

Why Don't They Complain? The Social Determinants of Chinese Migrant Workers' Grievance Behaviors¹

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ABSTRACT

Using survey data from China, I examine how migrant workers respond to violations of labor law in their workplaces. The central puzzle explored is why, given apparent widespread violations, some workers choose not to pursue remedies. I find that although workers with shared local identities with their employers are more likely to work without employment contracts, they are less likely to be exposed to safety and health hazards at work and less likely to interpret problems experienced as a violation of their legal rights. This paper extends the research on grievance behavior by drawing on research from Law and Society and social networks to understand how these subjective interpretation processes and social identities outside of work influence grievance behaviors. While the empirical focus is on China, the theoretical extensions may help explain why workers in other settings fail to express grievances when confronted with workplace violations.

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The transformation of China's economy from one dominated by state control to a mixture of private and state-owned enterprises has been accompanied by increased labor conflict. Between 1995 and 2007, the number of labor disputes accepted by labor dispute arbitration committees (LDAC), which are state labor agencies at the municipal and district levels, increased, on average, by 25 percent annually (Gallagher, Giles, Park, and Wang 2015). However, the disputes filed in LDAC is only the tip of the iceberg of the labor law violations workers experienced, especially for rural-to-urban migrant workers (afterwards, "migrant workers") who have rural household registration but moved to cities for permanent or seasonal non-agricultural employment. In 2015, there were approximately 277 million migrant workers, making up more than a third of the entire workforce of around 770 million in China (National Bureau of Statistics of the People's Republic of China 2016). According to data published by the National Bureau of Statistics, the percentage of migrant workers with formal employment contracts increased slightly from 42.8 in 2009 to 43.9 in 2012, but the percentage decreased from 41.3 to 36.2 between 2012 and 2015. Around 85 percent of migrant workers worked more than 44 hours per week, but few of them were covered by the mandatory social insurance (Table 1).

[Table 1 near here]

Given apparent widespread violations, why do some migrant workers choose not to pursue remedies? Existing studies have largely focused on the formal institutional constraints faced by migrant workers, such as the authoritarian state regime (Lee and Zhang 2013; Chen 2016), the inefficacy of government-controlled labor unions (Friedman and Lee 2010; Chen 2009), and the suppressed labor NGOs (Fu 2016; Lee and Shen 2011). However, less attention has been paid to informal social rules and their role

in determining workers' perception of workplace problems. This paper starts the analysis of worker grievances from workers' subjective views and in doing so illustrates how the mainstream industrial relations literature on grievance behavior needs to be extended to incorporate insights from Law and Society on the perceptions of workplace injustice and to consider the social identities that migrant workers bring into their work roles. Using data from a survey covering around 4000 migrant workers, I find that despite widespread labor law violations, only 25 percent of workers who experienced such violations interpret their experiences as labor rights violations. This is due in part to the social nature of their employment relationship: when employers and migrant workers are from the same place of origin before migration, migrant workers are more likely to work without a contract and are less likely to be exposed to occupational safety and health (OSH) hazards at work. For people who experienced violations, those who have a shared local network with their employers are significantly less likely to acknowledge these violations. Furthermore, among those who acknowledge violations, workers with a shared local network with their employer are more likely to use organizational grievance channels. These results contribute to the employee grievance literature by emphasizing the importance of the subjective interpretation processes in the study of grievance behavior and of exploring the effects of workers' social relationships and identities outside of work.

Existing Theories of Employee Grievances

One central question in the grievance procedure literature is, under what conditions do employees choose to file grievances? Numerous studies have proposed theories to predict employees' grievance filing. The canonical exit-voice-loyalty model by Albert Hirschman (1970) predicts that more loyal employees will opt to stay and voice

discontent when they experience it. Freeman and Medoff (1984) apply Hirschman's model and find that unionism, one possible employee voice mechanism, reduces turnover and permanent separations and raises job tenure by providing employees with voice options as alternatives to exit. This exit-voice-loyalty model has also been used to investigate post-grievance settlement outcomes. Lewin and his colleagues find evidence that employee loyalty is negatively associated with the exercise of voice and intent to exit the firm (Boroff and Lewin 1997), that use of employee grievance procedures is negatively correlated to post-grievance settlement job performance and promotion of grievants, and that use of grievance procedures is positively correlated to absenteeism and turnover (Lewin and Peterson 1999). Applying organizational punishment and industrial discipline theory (Arvey and Jones 1985), management retaliation was identified as a major obstacle to employee grievance filing.

Motivated by efficiency wage theory in economics, Cappelli and Chauvin (1991) apply an individual rational choice model to examine how labor market factors that determine the availability of alternative jobs affect employees' grievance filing. Assuming the bounded rationality of individuals, they find that the pay premium and area unemployment rate are positively correlated to workers' use of grievance procedures when the cost of using alternative methods (such as shirking or absenteeism) to resolve problems increases. Bacharach and Bamberger (2004) extend Cappelli and Chauvin's framework by investigating the moderating effect of power dependence. They find that under the condition of high labor power, the wage premium was positively associated with grievance filing, as predicted by Cappelli and Chauvin (1991), but under the condition of low labor power, the relationship was largely weakened or reversed. Recent

studies of employee grievances retain this rational cost-effectiveness framework and introduce procedural justice into the grievance model (Lind and Tyler 1988). The focus of these studies is usually on how the interactions between employees' individual characteristics (such as gender, self-esteem, and competence) and the perceived fairness of the grievance system affect their grievance filings and turnover (Morrison 2011; Kalaas, Olson-Buchanan, and Ward 2012).

The Social Determinants of Grievances

While this industrial relations research tradition has been fruitful in identifying the roles that employer behavior, law, power, rational choice, and formal institutions play in the filing of grievances, it has largely ignored how workers themselves experience law violations, their subjective evaluation of the experiences, and the potential role social relationships outside of the workplace might play in grievance filing behaviors. This gap is particularly problematic in the context of migrant workers in China, who have limited access to information about urban labor markets but carry with them deep regional ties with others from the same broadly defined native place when they migrate to cities (Honig 1992).

Migrant workers not only rely extensively on local networks for employment but are also likely to work in enclave workplaces. According to a 2008 nationally representative household survey, the Rural to Urban Migration in China (RUMiC²), almost two thirds of migrant workers found their employment through family members

² RUMiC was initiated by researchers at Australian National University, the University of Queensland and the Beijing Normal University, and was supported by the Institute for Study of labor (IZA). The sampling design of the Rural and Urban Household Survey are based on that of the Annual Rural/Urban Household Survey conducted by the National Bureau of Statistics (NBS).

(7.6%), relatives (21%), or friends (31.1%) (Long, Appleton, and Song 2017). Through these local networks, employers hire peasants from their hometown or migrant workers from the same place of origin who are already in the city (Pun and Lu 2010; Swider 2015). Often, then, migrants work in workplaces owned by people from the same place of origin. Enclaves are thus built upon these ties: “(t)he use of native-place relationships is ‘the projection of consanguinity into space’ that is, the ability to link with others who are not close relatives but who, for the purposes of business, can be trusted as if they were relatives (Fei 1992 p.31-32).” Seeking out fellow relatives, provincials, or nationals for employment is an obvious and effective survival strategy used by Chinese migrant workers as well as many immigrant workers in an unfamiliar urban setting (Portes 1981; Sanders and Nee 1987; Perry 1993; Lee 1998; Pun and Smith 2007; Zhang 2011).

Normative Regulation and Informal Control in Local Networks

The first question I address is whether the shared local identities between workers and employers influence workers’ experience of labor law violations. Although states, laws, institutional and organizational rules, and contracts are formal control mechanisms that regulate organizational behaviors (Williamson 1979; Dunlop 1958), shared employer-worker local networks may serve as informal sanction and control mechanisms that regulate the employment relationship of immigrant or migrant workers. It is established, for instance, that normative regulation and informal social control have roles in maintaining social order (Durkheim 1893; Selznick 1948; Parsons 1968, Scott 2001). These involve publicly monitoring one another’s behavior and administering informal sanctions, such as those that might harm one’s reputation or hinder social approval (Galanter 1974; Felstiner 1974; Horwitz 1990). Existing US-based research on

immigration has shown that identification with others in the same ethnic enclave or community facilitates an informal economy, but the group norms and informal social control also reduce opportunistic behaviors in the enclaves (Sanders and Nee 1987; Wilson and Portes 1980; Bernstein 1992). For example, Portes and Sensenbrenner (1993) illustrate the role of collective identity in the presence of informal loan operations in the Dominican immigrant community of New York City. Within this community, money is made available for start-ups with little or no paperwork; the community members ostracize entrepreneurs who fail to repay their loans and so formal processes are not needed.

The local enclaves in China behave in the same way, as they function as substitutes for formal institutions. In Fei's 1947 book *From the Soil* (1992), he identifies Chinese society as "a society in which the consideration of order, not law, predominates; and in this context, order means each person must uphold the moral obligations of his or her network ties. Otherwise, the entire social system collapses" (p.24). Although the Chinese economic and political systems have significantly changed since Fei originally published his book in 1947, to understand the behavior of migrant workers and their understanding of the law, it is still worthwhile to go back to this classic to see whether the moral obligation norms and informal social control in these networks affect the implementation of the rule of Labor Contract Law in China today. The power that governs migrant workers' actions and their interpretation of their situation may be less from a top-down authority or the law, but more from the bottom-up social contract and mutual consent based on informal controls in local enclaves. Therefore, I expect that migrant workers with shared local ties with their employers are less likely to enforce their

rights to have a written labor contract. At the same time migrant workers with shared local ties should be less vulnerable to hour, wage and OSH violations because employers are also understood to have obligations within these networks.

H1: All else equal, migrant workers who are from the same local network with their employer are more likely to work without a contract.

H2a: All else equal, migrant workers who are from the same local network with their employer are less likely to experience hour violations.

H2b: All else equal, migrant workers who are from the same local network with their employer are less likely to experience wage violations.

H2c: All else equal, migrant workers who are from the same local network with their employer are less likely to experience OSH violations.

The existing literature also suggests that a large number of migrant workers in China do not view participating in the legally mandated social insurance programs, especially pension insurance, as beneficial (Gallagher, Giles, Park, and Wang 2015; Chung 2015). Participating in most social insurance schemes requires contributions by both employer and workers. The current pension system requires an employer to contribute 20 percent of a worker's wage to the local social pool of the region under the Pay as You Go system and requires the worker to contribute 8 percent of his or her own wage to the personal pool under the Funded System. After contributing 15 years or more, workers receive pensions from both systems. However, the problem is that pensions are not managed as a national integrated system but through regional pooling systems. If migrant workers move to another region or return home, only their contribution in the personal pool can be cashed out (Williamson and Deitelbaum 2005; Watson 2010; Gao, Yang, and Li 2012). Therefore, workers who do not have long-term plans in cities have strong incentives to forgo the social insurance requirement because complying with social insurance legal mandates often contradicts migrant workers' short-term economic

interests. Given those concerns, workers who have a shared local network with their employer may collude with their employer to avoid the social insurance scheme in order to increase their take home pay.

H3: All else equal, migrant workers who are from the same local network with their employer are more likely to work without mandated social insurance.

Bringing “Naming” to the Grievance Model: Shared Local Identity and Workers’ Subjective Evaluation of Violations

The existing approaches in standard grievance literature largely focuses on the grievance procedure structure, and neglect the role played by worker agency—that is, the way in which workers interpret problems experienced at work (Smith 2001; Hodson 2001; Vallas 2006). The second question to be addressed is whether workers in fact view labor law violations experienced as violations of their rights. Workers’ subjective evaluation of violations is a precondition to their choice of whether or not to take actions to enforce their rights. This gap in grievance procedure literature can be filled by theories from law and society, in which the dispute pyramid metaphor is used to model the dispute transformation process of “naming, blaming, and claiming,” that is, recognizing an injury, blaming the other party for their wrong doing, and seeking legal remedy (Felstiner, Abel, and Sarat 1980; Miller and Sarat 1980). Although the law provides individuals with a powerful set of interpretative tools in naming an action as wrong, ordinary people do not simply interpret the law as official texts that embody formal legal rules or formal legal institutions (Ewick and Silbey 1998). Rather, workers hold normative perspectives of what constitutes acceptable managerial ethics. Their interpretations are influenced by the norms embedded in their social groups, such as the kinship network, religious groups, voluntary associations, and local enclaves (Macaulay

1963; Felstiner 1974; Ellickson 1991; Bernstein 1992; Roscigno and Hodson 2004).

Therefore, a shared identity between employer and workers may reduce the probability that workers name an apparent violation as a problem to be remedied. This may be most evident in naming the lack of contract as injurious because these migrant workers expect that the informal social control in their local network will encourage the employers to fulfill their responsibilities even without a formal contract.

Another branch of research influenced by the labor process tradition suggests workers may feel (and be expected to express) gratitude to those in their network who hire them. Edwards (1979) and Burawoy (1979) acknowledge the role of culture and ideology on employee control and workers' consent to their own exploitation. In recent years, labor process theories have been extended to worker subjectivity and identity (Alvesson and Willmott 2002; Thompson and O'Doherty 2011). Shared local identity between employers and workers may create "relation-based hegemony," which not only generates trust and loyalty, but also creates consent and diminishes dissatisfaction of workers (Zhou 2007; Shen 2007). In a detailed case study of a Hong Kong factory in China where kinship ties were extensively used in recruitment, Smart and Smart (1993) find that workers who become obligated through asymmetrical reciprocity can be required to work beyond the official requirements of job descriptions. Based on 60 in-depth interviews, Zhang (2011) finds that employment within a local network was seen as a favor from employers to female migrant workers. Migrant women are expected by the employers and intermediaries, as well as themselves, to demonstrate gratitude for receiving this favor. Therefore, for those workers who experience law violations, people

with the shared local network with their employer are less likely to name the experience as injurious.

H4: All else equal, among those who experienced labor law violations, migrant workers who are from the same local network with their employers are less likely to name labor law violations as injurious.

Lastly, much of the early work in the sociology of law literature examines the likelihood that individuals would use the formal legal systems rather than alternative means of dispute resolution. Researchers associated with Berkeley Village Law Project suggest that those who share social networks are more likely to use informal systems rather than the courts to resolve disputes (Nader and Todd 1978). Since the use of court and other external dispute resolution procedures is extremely rare among ordinary migrant workers, I cannot test the hypothesis on whether migrant workers who are from the same local network as their employer are less likely to use courts or other external dispute resolution procedures to resolve the disputes than their counterparts. However, my data enables me to test whether those with the shared local network with the employer are more likely to use organizational grievance systems due to their shared identity with employers apart from work.³

H5: All else equal, among people who named violations as injurious, migrant workers who are from the same local network with their employers are more likely to use internal grievance procedures.

Data and Measurements

Data

³ See Liu (2014) for a review of various internal and external labor dispute resolution institutions in China.

To test these hypotheses, I use a survey of around 4000 migrant workers in nine cities of Pearl River Delta (PRD) and ten cities of Yangzi River Delta (YRD). PRD and YRD are the top two mega-regions of China, hosting 43% (109 million) of China's migrant workers (National Bureau of Statistics of the People's Republic of China 2012). The survey was conducted in July and August of 2010 by the Center for Social Survey at Sun Yat-Sen University.⁴ Because of the high mobility rate of migrants, the survey uses quota sampling instead of random sampling to obtain participants: it gave quotas to the nineteen cities based on their share of migrant workers and then segmented respondents in the cities into groups by gender and industry based on census data. The respondents of the survey were found through random interception on the street near factories, and screened to choose those working in full-time jobs and lacking urban household registration (*hukou*) and four-year college degrees (Li and Freeman 2015).

The survey imposed a maximum of one worker from firms with less than 30 employees, three workers from firms with 30-299 employees, and five workers from firms with more than 300 employees. If multiple workers were surveyed from one firm, the workers' gender, occupation, age, or place of origin were varied. The survey does not use the residence-based sampling method that is used in other social surveys such as the General Social Survey (GSS) because a sizable proportion of migrant workers in China live in workplace dormitories, construction sites and other workplaces (Liu 2014).

Although the survey does not use pure random sampling, it is the most comprehensive

⁴ The nine cities in PRD include Guangzhou, Shenzhen, Zhuhai, Foshan, Zhaoqing, Dongguan, Huizhou, Zhongshan, and Jiangmen. The ten cities in YRD are Shanghai, Nanjing, Suzhou, Wuxi, Changzhou, Nantong, Hangzhou, Ningbo, Jiaxing, and Shaoxing. The questionnaires were filled out by migrant workers with the assistance of hundreds of undergraduate and graduate student research assistants from Sun Yat-Sen University, Nanjing University, Shanghai University, and Zhejiang Gongshang University.

and representative survey available to answer the research questions on migrant workers' experiences and responses to labor law violations. My analytic sample includes 3919 workers who reported information on their own demographic characteristics, contract status and insurance coverage, wages, hours, and working conditions, as well as their current firm's information.

Dependent Variables

Experiencing violations. The survey asked respondents about their objective employment conditions in the current firm before asking about their subjective evaluations of these experiences. I grouped their objective experiences that would seem to violate labor law into five categories: no contract, no social insurance, overtime, wage violations, and OSH violations. The definition and coding strategy of these variables are described in Table A.1 in the appendix. These variables measure apparent labor law violations without assessing whether the workers themselves acknowledge them.

Naming. After the respondents reported their objective experience of law violations, they were asked to evaluate the wrong. *Naming* is operationalized based on one question in the survey, which asks "Since August 2009, have you ever felt negatively (*you yijian*) on employee labor rights (*laodong quanyi*) toward your current firm?"

Naming was coded as one if the worker answered yes to this question, zero otherwise.

Grievance filing (claiming). People who acknowledged the illegal practices (i.e., *naming* =1) were asked whether they had ever expressed grievances to the management in the past year. Organizational grievance channels include: suggestion box, hotlines, in-house grievance office, focus group within the firm, conversation with management, conversation with supervisor, seeking solution with employer, enterprise labor union, employee work council, and others. *Grievance filing* was coded as a dummy variable that

equals one if the employee expressed all or part of his or her grievances to the management using any of these grievance channels, zero otherwise.

Independent Variables

Province network. I measure shared local network from a survey question that asks, “Does your current employer come from the same province as yourself?” *Province network* equals one if the respondent answered yes in question (1), zero otherwise.⁵

Control Variables

Female is a dummy variable that equals one if the respondent is female, zero otherwise. Female workers are more likely to work in gender-specific low-paying jobs but are less likely to work in physically demanding positions or at dangerous sites. Previous research also suggests female workers are less likely to name and claim violations because of their lack of self-confidence, avoidance of conflict (Gwatney-Gibbs and Lach 1994), and the internalized discipline of subordinates (Lee 1998).

Age. The existing literature stresses the awakening and rights consciousness of the new generation of migrant workers (Chan and Pun 2009; Pun and Lu 2010; Chan and Hui 2014), which suggests that younger migrant workers are less likely to work for employers who violate the labor laws and more likely to name and claim the violations.

Education and Legal Knowledge. Respondents’ educational level and legal knowledge has been found to be associated with their job quality as well as their inclination to file grievances (Miller and Sarat 1980). *Education* is a categorical variable that equals zero if the respondents’ highest degree is primary school, one if middle

⁵ I also construct *city network* and *village network* variables based on the question about workers’ city or village local network with their employer. The analyses using these alternative independent variables will be discussed in the footnotes.

school, two if high school or technical secondary school, and three if vocational school or higher. *Legal knowledge* is coded based on seven survey questions on respondents' familiarity with seven labor laws and regulations⁶. The respondents were given a score based on their familiarity with each law or regulation (5=very familiar; 4=familiar; 3=somewhat familiar; 2=not familiar; 1=have not heard about it). *Legal Knowledge* is a continuous variable ranging from 7 to 35, as the sum of the seven scores.

Wage premium is measured as the difference between the respondent's average monthly wage since January 1, 2010, and the city's monthly minimum wage in 2010. Because employees' grievance behaviors involve some comparison of the cost and effectiveness of various ways of dealing with workplace problems, wage premium is a proxy that measures the value of current employment over alternative jobs in the external market.

Peer network density. Previous research suggests that racial and ethnic enclaves have potentially beneficial effects through their creation of bounded solidarity that promotes and enforces reciprocity and norms that increase the provision of communal goods (Portes 1998). I suggest that the co-worker-based local enclave could increase the employees' bargaining power with the employer and increase their possibility of grievance filing. *Peer network density* is a categorical variable that equals zero if none of the co-workers are from the same province as the respondent, one if less than 10%, two if 10-20%, three if 20-30%, four if 30-50%, and five if more than 50%.

⁶ The seven laws and regulations are Labor Law, Labor Contract Law, Employment Promotion Law, Minimum Wage Regulation, Regulation on Payment and Wages, Regulation on Work Injury Insurance, and Law on the Protection of Rights and Interest of Women.

Firm size is a categorical variable that equals zero if the firm has less than 100 employees, one if the firm has 100 to 299 employees, two if the firm has 300 to 999 employees, and three if the number of employees equals or exceeds 1000. Rationalist and neo-institutional sociologists suggest that larger firms are more likely to formalize workplace policies and practices (Blau, Falbe, McKinley, and Tracy 1976; Sutton, Dobbin, Meyer, and Scott 1994). Workers' educational level and skill are also likely to be higher in larger firms than in smaller ones. I expect that workers in large firms are less likely to experience, but more likely to name and claim, violations.

Union is a dummy variable that equals one if there is a labor union in respondents' firm or community. Although Chinese labor unions have always been criticized for being "paper unions," recent research suggests heterogeneous organizing strategies of unions (Liu 2010; Friedman 2014) and unions' positive effect on employees' wage and welfare (Yao and Zhong 2013; Lu, Tao, and Wang 2010). I expect that the presence of unions is negatively correlated with experiencing labor law violations, and workers are more likely to name and claim violations if there are labor unions in their firms or communities.

Firm ownership includes four groups: state and collectively owned enterprises (SOEs), domestic private enterprises (DPEs), Hong Kong, Macao, and Taiwan firms (HMTs), and other foreign-invested enterprises (FIEs). The literature suggests that private firms are less likely to provide labor contracts to their workers compared to firms of other ownership (Li and Freeman 2015), and SOEs have better OSH practices than firms of other ownerships (Chen and Chan 2010). Workers' legal knowledge and

education, which affect their naming and grievance filing, may also vary across ownership types.

Other control variables include the respondent's *industry* (including agriculture and mining, manufacturing, construction, utilities, and service), marital status (*married* equals one if married, zero otherwise), their *province of origin*, and *tenure* at the current firm.

Analysis

Figure 1 shows the prevalence of labor law violations experienced by migrant workers, and the gap between the laws on the books and migrant workers' subjective evaluations of the experience. Although 86% of the workers in the survey have experienced one or more types of labor law violations at their current firms, only 21% of the respondents indicated that they felt negatively towards their employer with regard to labor rights (i.e., *naming*=1) and only 14% of the respondents had used organizational grievance filing procedures. This reinforcing the value of using dispute pyramid to model these different stages of grievance behavior in China or elsewhere (Michelson 2007; Gallagher and Wang 2011).

[Figure 1 near here]

The use of local networks for employment is most common in construction sector, as suggested in the literature. In my analytic sample, 29.1% of the construction workers, 13.3% of service sector workers, and 8.6% of the manufacturing sector workers have shared provincial local network with their employers.⁷ To assess how migrant workers'

⁷ 23% (12%) of the construction workers, 9.2% (3.8%) of service sector workers, and 5.8% (3.5%) of the manufacturing sector workers in the sample has shared city (village) local network with their employer.

experience with and interpretation of labor law violations vary by the type of problem they encounter and their shared social relationships and identities with their employer, Table 2 presents the main descriptive statistics for the key dependent variables for workers with and without shared provincial networks. In the full sample, social insurance has the highest rate of violation (69%), followed by overtime (37%), lack of contract (31%), wage violations (29%), and OSH violations (19%). Concerning Hypotheses 1-3, the bivariate tests show that workers who are from the same province as their employer are more likely to experience contract and social insurance violations, but are less likely to experience hour and occupational health and safety violations ($p < 0.01$). However, the probabilities of experiencing wage violations are not significantly different between these two groups ($p > 0.1$).

Turning from objective experience to workers' subjective evaluations of and actions toward the illegal practices, the "naming" rate is the highest for workers who experienced OSH violations (42%), followed by wage violations (33%), hour violations (28%), social insurance violations (25%), and contract violation (23%). Concerning Hypothesis 4, the bivariate tests show that when they experience violations, workers from the same province as their employers are less likely to name all types of violations, compared to their counterparts ($p < 0.05$). Concerning Hypothesis 5, among workers who "named" a problem with their employers' labor practices, workers who are from the same province as their employers are significantly more likely to use an organizational grievance channel to resolve the problem ($p < 0.05$). I also compare the descriptive statistics for key independent variables between workers with and without shared provincial local network with employers. The statistics are reported in Appendix A.2.

[Table 2 near here]

Table 3 includes regression results testing Hypotheses 1-3. I estimate logit models predicting the likelihood that workers experience violations related to contract (Model 1), social insurance (Model 2), hour (Model 3), wage (Model 4), and OSH (Model 5). As shown in Model 1 and Model 5, holding other variables constant, sharing a provincial local network with the employer increases the log odds of working without a contract by 0.866 ($p < 0.01$) and decreases the log odds of experiencing OSH violations by 0.426 ($p < 0.05$). These results offer support for Hypotheses 1 and 2c, but do not provide support for Hypotheses 2a, 2b, and 3.⁸

As for the control variables, female workers are less likely to experience social insurance, hour, and OSH violations. Older workers are less likely to experience wage violations, which does not support the new generation migrant workers' empowerment thesis. Workers with higher levels of education and legal knowledge are less vulnerable to most types of violations. At the firm level, workers who work in a firm or community with the presence of a union are less likely to experience contract and social insurance violations, which suggests the administrative power of the quasi-governmental unions to enforce the labor contract and social insurance laws. Compared to workers in SOEs, workers in DPEs are more likely to work without contracts and social insurance and are more likely to experience hour violations. Although workers in FIE and larger firms are less vulnerable to informal employment, they are more likely to experience hour violations at work. In other words, although foreign-owned and larger firms are more

⁸ I also run regressions using city network and village network as key independent variables, respectively. The coefficient of city network on no contract is 0.951 ($p < 0.01$) and on OSH is -0.502 ($p < 0.05$). The coefficient of village network on no contract is 0.947 ($p < 0.01$) and on OSH is -0.673 ($p < 0.1$). These results are consistent with the findings present in Table 3.

likely to offer formal employment contracts to their employees, few of them comply with the overtime legislation.

[Table 3 near here]

To assess Hypothesis 4, in Table 4, I estimate logit models predicting the likelihood of naming among workers who experienced any type of law violation (Model 6), contract violation (Model 7), social insurance violations (Model 8), hour violations (Model 9), wage violations (Model 10), and OSH violations (Model 11). Holding other variables constant, sharing a provincial local network with the employer decreased the log odds of naming any violations (Model 6) by 0.495 ($p < 0.01$). This negative correlation between shared employer-worker local networks and naming labor law violations holds for workers who experience all types of violations (Models 7-11).⁹

Another important finding in this table is that females are significantly less likely to name labor law violations than their male counterparts. This finding supports the ethnographic evidence that female workers' willingness to cooperate and accept mistreatment are different from men's, and gender identities play a central explanatory role in accounting for production politics (Lee 1998). In addition, consistent with the prediction in the literature, workers who have higher levels of education are more likely to name labor violations, and wage premiums in current firms are negatively correlated with workers' naming of labor law violations. Age is not a significant predictor of

⁹ I also run regressions M6-M11 using city and village network as key independent variables, respectively. Holding other variables constant, sharing city local network with the employer decreased the log odds of naming violation by 0.921 ($p < 0.01$). Sharing village local network with the employer decreased the log odds of naming violation by 0.751 ($p < 0.01$). These results are consistent with the findings presented in Table 4.

naming labor law violations, further challenging the new generation migrant workers' rights consciousness thesis in the literature.

[Table 4 near here]

Lastly, I investigate the effects of local networks on workers' grievance filing behaviors (Hypothesis 5). Because only people who name violations answered the question on grievance filing, in Model 12, I exclude respondents who do not name violations from the analysis. The results show that among people who name violations, sharing a provincial local network with the employer increases the log odds of filing grievance by 0.579 ($p < 0.1$), all else equal. This result provides support for Hypotheses 5. Females are significant less likely to use organizational grievance procedures, compared to their male counterparts ($p < 0.01$).

It should be noted that because grievance-filing information is only available for workers who named violations, the results in Model 12 only apply to the subsample of workers who named violations. Another interesting question is whether this finding generalizes to other workers who do not acknowledge problems with their employers. The difference is seldom taken into account in standard grievance literature. There may be some unmeasured characteristics associated with both naming and grievance filing. If so, the estimates based on the self-selected subsample could be biased.

To address this selection issue, Model 13 and Model 14 show results using a two-stage Heckman probit model (Liao 1995), a variation of the original Heckman regression model (Heckman 1979). The sample in this analysis is workers who experienced one or more types of violation. The first-stage probit regression (M13) estimates a selection effect coefficient (inverse Mills ratio or λ), which is controlled in the second-stage model

(M14). I use the heckprob function in Stata to obtain maximum likelihood estimates, adjusting the standard errors by clustering cases at the city level. The correlation between the error terms of naming and grievance filing equations (ρ) is 0.93, which means that unmeasured factors associated with naming increased the probability of grievance filing. The results show that, once having controlled for the probability that a person will not name the violation (i.e., λ), there is no evidence that people who share a local network with their employer are more likely to file grievances.¹⁰

[Table 5 near here]

Conclusion and Future Research Agenda

Despite recent legislative efforts to address labor concerns, violations of Chinese labor law are rampant among the rural-to-urban migrant workers. One important reason for the weak enforcement of labor law is that migrant workers do not pursue possible cases through formal or legal channels. By analyzing migrant workers' grievance behaviors, this paper makes two contributions to the employee grievance literature. First, by building the subjective interpretation process into our theoretical models of grievances, I find that only 25 percent (829 out of 3376) of migrant workers who experienced labor law violations subjectively name the experience as injurious, which is a key step before they take remedial actions. Second, the likelihoods of experiencing and naming violations are determined by workers' social identities and relationships outside

¹⁰ I also run regressions M12-14 using city and village network as key independent variables, respectively. Holding other variables constant, among people who named violations, sharing city local network with the employer increases the log odds of grievance filing by 0.987 ($p < 0.05$). Sharing village local network with the employer increases the log odds of grievance filing by 0.9, but the coefficient is not statistically significant. Once controlling for the probability that a person will not name the violation, there is no evidence that people who share city or village local network with employer are more likely to file grievances.

work. The analysis shows that a shared local network between employer and worker is positively associated with contract violations ($\beta=0.866$, $p<0.01$), but negatively associated with OSH violations ($\beta= -0.426$, $p<0.05$). These findings suggest that the informal social control mechanisms in local networks both relieve the felt need for a contract and reduce more serious violations regarding health and safety. In addition, workers who share a local network with their employer are significantly less likely to name labor law violations compared to their counterparts ($\beta= -0.495$, $p<0.01$). Furthermore, among those who named violations, workers who share a local network with their employer are more likely to express their grievances to management ($\beta=0.579$, $p<0.1$); but once controlling for unmeasured factors that may influence the likelihood of naming, there is no effect of shared network on grievance filing.

Turning to an agenda for future grievance research, several expanded as well as new areas can be identified. First, this expansion of the grievance model needs to be tested in broader settings out of China. The social determinants of grievance behavior should be tested in other developing countries with high rates of informal employment as well as developed economies. For example, to explain the puzzle of why there have been few collective protests to challenge the social injustice and widening inequality in the United States, maybe we should look beyond the traditional worker grievance model and examine whether workers' social identities, such as gender, race, religion, and immigration status, affect their perceptions and judgment of workplace violations to be worth challenging (Piore and Safford 2006; Roscigno and Hodson 2004).

In addition, this study suggests that the grievance procedure literature should move beyond official dispute resolution institutions, such as mediation, arbitration, and

the courts. Grievance and resistance are rooted in the everyday work of ordinary workers. Limiting the scope of studies of worker grievance to formal dispute resolution institutions prevents scholars from exploring the relationship between formal institutions and other social structures as they are manifested in workers' everyday lives (Vallas 2006; Hodson 2001; Marshall and Barclay 2003).

Third, the cross-sectional nature of the data prevents me from investigating the dynamics of workers' reliance on local networks for employment, the effectiveness of the social control mechanism in the network, and workers' interpretations of the law. Some scholars argue that governance of market exchange will evolve from relational networks to impersonal institutions (Peng 2003), while others predict that workers may continue to rely on social networks for employment in emerging economies (Boisot and Child 1996). Whether the obligations and informal social control will continue to serve as effective mechanisms regulating the employment relationship in a transition economy needs to be addressed in future work. Furthermore, workers' interpretation and grievance filing is likely path-dependent and rooted in social norms, years since migration, managerial interventions, legal and policy reforms, and changing labor market conditions. Workers may gradually adjust to these changes and establish new social orders, norms, and practices. How migrant workers' interpretations of the law change over time also deserves more attention in future research.

Lastly, scholars should explore different workers' interests, topics of their concern, and the underlying mechanisms that affect naming and claiming labor law grievances. Lee (2007) offers a good example of this research agenda by comparing different bases and means of worker grievance between northeastern China, where

workers are mostly laid-off from state-owned enterprises, and southern coastal China where workers are mostly rural migrants.¹¹ Future research can go beyond the ownership and regional differences to explore workers' needs across industry, occupation, organizational structure, gender, and ethnicities. For instance, the proportion of Chinese workers relying on temporary and labor dispatch agencies has increased rapidly in recent years (Friedman and Lee 2010; Liu 2015). Contingent workers' concerns, expectations, interests and obstacles to use internal and external voice mechanisms should be investigated in future research.

¹¹ Also see Hurst (2004 2009) which compare the state-owned enterprise workers' grievance, claims, tactics, frames, and mobilizing structures across different regions in China.

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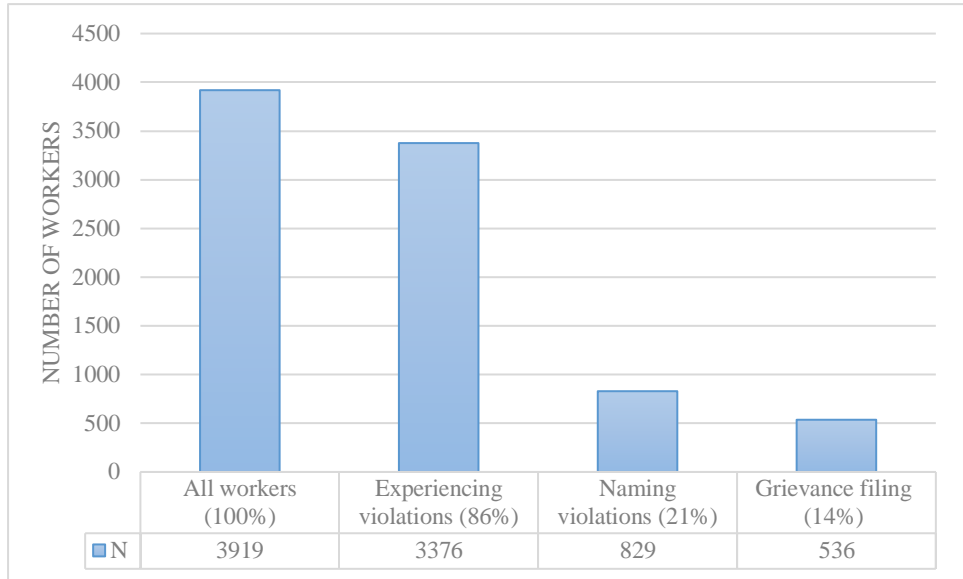
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Figures

Figure 1: Number of Migrant Workers who Experience Violations, Name Violation, and File Grievances



Tables

Table 1: National Statistics on Labor Standards of Chinese Migrant Workers (%)

	2008	2009	2010	2011	2012	2013	2014	2015
Contract coverage	.	42.8	42	43.8	43.9	41.3	38	36.2
Overtime (>44 hours/week)	.	89.8	90.7	84.5	84.4	84.7	85.4	85
Pension insurance	9.8	7.6	9.5	13.9	14.3	15.7	16.7	.
Work injury insurance	24.1	21.8	24.1	23.6	24	28.5	26.2	.
Medical insurance	13.1	12.2	14.3	16.7	16.9	17.6	17.6	.
Unemployment insurance	3.7	3.9	4.9	8	8.4	9.1	10.5	.
Maternity insurance	2	2.4	2.9	5.6	6.1	6.6	7.8	.

Source: National Bureau of Statistics of the People's Republic of China

Table 2: Descriptive Statistics for Key Dependent Variables: All Workers, With and Without Shared Provincial Local Network with Employer

Variables	All workers			Workers without shared provincial employer-worker network			Workers with shared provincial employer-worker network			Bivariate tests comparing with vs. without shared provincial network workers	
	N	Mean	SD	N	Mean	SD	N	Mean	SD	T statistic	P value (two-tail)
Experiencing violations (full sample)											
Any violation	3919	0.861	0.346	3454	0.858	0.349	456	0.888	0.315	-1.920	0.055
No contract	3919	0.314	0.464	3454	0.285	0.451	456	0.527	0.500	-9.911	0.000
No social insurance	3919	0.685	0.465	3454	0.678	0.467	456	0.735	0.442	-2.615	0.009
Wage violation	3919	0.291	0.454	3454	0.290	0.454	456	0.299	0.458	-0.390	0.696
Overtime	3919	0.366	0.482	3454	0.374	0.484	456	0.308	0.462	2.911	0.004
OSH	3919	0.191	0.393	3454	0.198	0.399	456	0.140	0.347	3.351	0.001
Naming (among workers who experience violations)											
Any violation	3,376	0.246	0.430	2,963	0.256	0.437	413	0.167	0.373	4.459	0.000
No contract	1,229	0.234	0.423	984	0.255	0.436	245	0.147	0.355	4.067	0.000
No social insurance	2,684	0.246	0.431	2,342	0.259	0.438	342	0.158	0.365	4.662	0.000
Wage violation	1,141	0.331	0.471	1,002	0.341	0.474	139	0.259	0.440	2.048	0.042
Overtime	1,436	0.283	0.450	1,293	0.290	0.454	143	0.217	0.414	1.990	0.048
OSH	750	0.424	0.495	685	0.438	0.496	65	0.277	0.451	2.726	0.008
Grievance filing (among workers who experience and name violations)											
Any violation	829	0.647	0.478	760	0.636	0.482	69	0.768	0.425	-2.452	0.016

Table 3: Logit Models Predicting Experiencing Different Type of Labor Law Violations

Independent variables	M1 No contract	M2 No insurance	M3 Overtime	M4 Wage violations	M5 OSH
Province network	0.866*** (0.200)	0.117 (0.0914)	-0.0567 (0.132)	-0.00683 (0.118)	-0.426** (0.175)
Female	0.000149 (0.101)	-0.322*** (0.0722)	-0.234** (0.115)	-0.0844 (0.0661)	-0.670*** (0.104)
Married	-0.158 (0.161)	0.0788 (0.129)	-0.0714 (0.114)	-0.252** (0.104)	-0.264** (0.108)
Age	0.00328 (0.00746)	0.000842 (0.00565)	-0.00448 (0.00883)	-0.0132** (0.00587)	-0.00873 (0.00677)
Education (ref. primary school or lower)					
Middle school	-0.187* (0.0998)	-0.138 (0.115)	-0.113 (0.0918)	-0.127 (0.123)	-0.0897 (0.147)
High school or equivalent	-0.344*** (0.107)	-0.702*** (0.139)	-0.442*** (0.124)	-0.102 (0.150)	-0.288** (0.144)
Vocational school or higher	-0.869*** (0.207)	-1.159*** (0.186)	-1.076*** (0.253)	0.156 (0.185)	-0.751*** (0.271)
Legal knowledge	-0.0491*** (0.0106)	-0.0298*** (0.00998)	-0.00255 (0.0103)	-0.0298*** (0.00788)	-0.0454*** (0.0106)
Tenure	-0.0540*** (0.0153)	-0.0425*** (0.0112)	-0.0348** (0.0138)	-0.00577 (0.00908)	-0.00964 (0.00969)
Wage premium (1000 yuan)	-0.0470* (0.0284)	-0.00868 (0.0283)	0.0355 (0.0267)	-0.00988 (0.0182)	-0.0440 (0.0332)
Union	-1.447*** (0.192)	-0.480*** (0.0984)	-0.153 (0.135)	-0.0178 (0.129)	-0.208 (0.157)
Firm ownership (ref. SOEs)					
DPEs	0.628*** (0.217)	0.374** (0.189)	0.423** (0.169)	-0.181 (0.190)	0.0883 (0.196)
HMTs	-0.196 (0.238)	0.226 (0.208)	0.667*** (0.232)	-0.519** (0.205)	0.240 (0.187)
FIEs	-0.530** (0.263)	-0.240 (0.213)	0.624** (0.245)	-0.595*** (0.208)	-0.0356 (0.213)
Firm size (ref. <100 employees)					
100-299 employees	-0.923*** (0.124)	-0.466*** (0.134)	0.286* (0.152)	0.125 (0.119)	-0.0288 (0.122)
300-999 employees	-1.479*** (0.0943)	-0.683*** (0.178)	0.535*** (0.0943)	-0.0183 (0.110)	0.0142 (0.171)
>1000 employees	-2.019*** (0.187)	-0.880*** (0.139)	0.701*** (0.138)	-0.262* (0.141)	-0.0414 (0.133)
Province of origin dummies	Yes	Yes	Yes	Yes	Yes
Industry dummies	Yes	Yes	Yes	Yes	Yes
City dummies	Yes	Yes	Yes	Yes	Yes
Constant	1.726 (1.599)	1.807* (0.952)	-2.558** (1.135)	-0.443 (0.990)	-1.269 (1.038)
Pseudo R ²	0.263	0.200	0.103	0.0462	0.0903
Observations	3,909	3,909	3,914	3,914	3,905

* p<0.10, ** p<0.05, *** p<0.010. Robust standard errors clustered at city in parentheses.

Table 4: Logit Models Predicting Naming among Workers Who Experienced Different Type of Violations
(Dependent variable: Naming)

Independent variables	M6 (any violation)	M7 (no contract)	M8 (no insurance)	M9 (overtime)	M10 (wage violations)	M11 (OSH)
Province network	-0.495*** (0.133)	-0.620*** (0.236)	-0.589*** (0.146)	-0.443*** (0.154)	-0.381* (0.209)	-0.680*** (0.262)
Female	-0.321*** (0.0775)	-0.350*** (0.121)	-0.365*** (0.0701)	-0.225 (0.138)	-0.349*** (0.0844)	-0.329* (0.173)
Married	-0.0258 (0.166)	0.119 (0.218)	-0.138 (0.165)	-0.0334 (0.145)	0.223 (0.238)	0.0276 (0.307)
Age	0.00188 (0.00647)	0.00125 (0.00877)	0.000807 (0.00654)	0.0109 (0.00766)	0.00297 (0.0101)	0.00874 (0.0144)
Education (ref. primary school or lower)						
Middle school	0.367** (0.151)	0.706*** (0.242)	0.273 (0.175)	0.637*** (0.221)	0.565*** (0.218)	0.648*** (0.228)
High school or equivalent	0.296* (0.178)	0.809** (0.321)	0.168 (0.205)	0.540** (0.215)	0.564** (0.252)	0.603** (0.276)
Vocational school or higher	0.341 (0.224)	0.777** (0.331)	0.350 (0.264)	0.428 (0.334)	0.176 (0.253)	0.315 (0.265)
Legal knowledge	0.00118 (0.0119)	-0.0160 (0.0183)	0.00573 (0.0144)	0.0152 (0.0170)	0.00264 (0.0180)	0.0112 (0.0205)
Tenure	-0.00541 (0.0112)	-0.0198 (0.0208)	-0.00485 (0.0116)	0.00380 (0.0106)	-0.0173 (0.0240)	0.0261 (0.0246)
Wage premium (1000 yuan)	-0.144*** (0.0370)	-0.106 (0.0769)	-0.211*** (0.0390)	-0.175** (0.0854)	-0.0877 (0.0557)	-0.204* (0.110)
Union	0.0541 (0.108)	0.478 (0.318)	0.00336 (0.132)	0.103 (0.189)	0.0229 (0.216)	0.0520 (0.303)
Firm ownership (ref. SOEs)						
DPEs	0.125 (0.196)	0.290 (0.420)	0.177 (0.189)	0.316 (0.221)	0.583* (0.343)	0.536 (0.335)
HMTs	0.204 (0.231)	0.441 (0.682)	0.112 (0.215)	0.378 (0.255)	0.625 (0.430)	0.780* (0.403)
FIEs	0.178 (0.212)	0.123 (0.529)	-0.0796 (0.263)	0.279 (0.237)	0.850** (0.421)	-0.117 (0.542)
Firm size (ref. <100 employees)						

100-299 employees	-0.00763 (0.127)	-0.287 (0.231)	-0.0264 (0.124)	0.107 (0.165)	0.229 (0.184)	0.126 (0.258)
300-999 employees	0.228** (0.0932)	0.279 (0.212)	0.259** (0.106)	0.281 (0.203)	0.182 (0.155)	0.333 (0.206)
>1000 employees	0.0870 (0.106)	0.263 (0.309)	0.132 (0.107)	0.0173 (0.194)	0.217 (0.231)	0.256 (0.173)
Province of origin dummies	Yes	Yes	Yes	Yes	Yes	Yes
Industry dummies	Yes	Yes	Yes	Yes	Yes	Yes
City dummies	Yes	Yes	Yes	Yes	Yes	Yes
Constant	-0.785 (0.656)	-0.0431 (1.017)	-0.631 (0.722)	-2.526** (1.084)	-1.771* (1.040)	0.171 (1.825)
Pseudo R ²	0.0382	0.0753	0.0413	0.0412	0.0623	0.0771
Observations	3,367	1,182	2,669	1,423	1,133	742

* p<0.10, ** p<0.05, *** p<0.010. Robust standard errors clustered at city in parentheses.

Table 5: Models Predicting Grievance Filing

Independent variables	M12 Logit Predicting Grievance Filing among those who name violations	Heckman Model Predicting Grievance Filing Controlling for Likelihood of Naming Violations	
		M13 Naming violations	M14 Grievance filing
Province network	0.579* (0.31)	-0.273*** (0.08)	-0.0535 (0.13)
Female	-0.375** (0.15)	-0.182*** (0.04)	-0.244*** (0.07)
Married	0.205 (0.26)	-0.0342 (0.09)	0.0359 (0.10)
Age	-0.0167* (0.01)	0.000479 (0.00)	-0.00416 (0.00)
Education (ref. primary school or lower)			
Middle school	-0.248 (0.22)	0.217** (0.09)	0.101 (0.10)
High school or equivalent	-0.191 (0.29)	0.189* (0.11)	0.0836 (0.09)
Vocational school or higher	0.816** (0.41)	0.152 (0.13)	0.326 (0.21)
Legal knowledge		-0.00646 (0.01)	
Tenure	0.0301 (0.03)	-0.00561 (0.01)	0.00257 (0.01)
Wage premium (1000 yuan)	0.188* (0.10)	-0.0841*** (0.02)	-0.00688 (0.04)
Peer network density	0.0349 (0.05)		0.0113 (0.02)
Union	0.293 (0.28)	-0.0101 (0.08)	0.0732 (0.12)
Firm ownership (ref. SOEs)			
DPEs	-0.0581 (0.26)	0.04 (0.11)	0.00992 (0.12)
HMTs	-0.409 (0.33)	0.0671 (0.11)	-0.11 (0.13)
FIEs	-0.167 (0.39)	0.0902 (0.11)	-0.000598 (0.17)
Firm size (ref. <100 employees)			
100-299 employees	0.0656	-0.0161	0.0058

	(0.16)	(0.06)	(0.08)
300-999 employees	-0.449*	0.144***	-0.0112
	(0.25)	(0.05)	(0.15)
>1000 employees	-0.31	0.0554	-0.0433
	(0.34)	(0.06)	(0.15)
Constant	2.114	-0.638***	-0.586
	(1.35)	(0.15)	(0.63)
Industry dummies	Yes	No	Yes
City dummies	Yes	No	Yes
Rho			0.938
			(0.127)
Pseudo R ²	0.0864		
Observations	792	3,339	3,339

* p<0.10, ** p<0.05, *** p<0.010. Robust standard errors clustered at city in parentheses.

Appendix

Table A.1: Labor Law Violations

Labor Law Violations	Description
<i>No Social Insurance</i>	Respondents to the survey were asked whether their current employers provided pension insurance, medical insurance, work injury insurance, unemployment insurances, and maternity insurance. <i>No social insurance</i> is a dummy that equals one if the respondent does not have all five social insurance required by the law.
<i>No Labor Contract</i>	One question in the survey asks, "Have you ever signed a written labor contract in your current firm?" <i>No labor contract</i> equals one if the worker answered no to this question, zero otherwise.
<i>Overtime</i>	Chinese labor law prohibits employers from requiring their employees to work overtime for more than 36 hours per month. One question in the survey asks the respondents, "Have you ever worked overtime since January 1, 2010?" Workers who answered yes to this question were required to report their overtime hours in the previous month. I code <i>overtime</i> as a dummy variable, which equals one if their overtime work exceeded 36 hours the month before the interview, zero otherwise.
<i>Wage Violations</i>	<p><i>Wage violation</i> equals one if the employee has experienced any of the following violations:</p> <ol style="list-style-type: none"> <li data-bbox="496 1016 1354 1283">(1) A prevalent form of Labor Law violation is employee paying “deposits” to the employer in forms of money or documents. These “deposits” prevent workers from leaving their jobs where their rights are violated. In the survey, the respondents were asked two questions: (a) "When you joined the current firm, did you pay a money deposit?" and (b) "When you joined the current firm, were your government issued ID, graduation certificate, or (temporal) residence permit detained by the management?" <i>Deposit</i> is a dummy variable that equals one if the worker answered yes to any of these two questions, zero otherwise. <li data-bbox="496 1289 1354 1440">(2) The Labor Law provides that employees must be compensated if they work overtime. One question in the survey asks, “Does your current firm have overtime compensation?” <i>Overtime without compensation</i> is a dummy variable that equals one if the respondent answered no to this question, and <i>overtime</i> equals one. <li data-bbox="496 1446 1354 1650">(3) The Labor Law requires that wages shall not be misappropriated nor shall the employer fall in arrears without justification. The survey asks, “Since January 1, 2010, have you ever been imposed a fine or wage deduction at your current firm?” For those who answered yes, they were asked, “Does the firms impose the fine or deduction following institutional rules?” I code <i>wage misappropriation</i> as one if the worker answered no to this question, zero otherwise. <li data-bbox="496 1656 1354 1745">(4) The survey asks, “Since January 1, 2010, have you ever experienced wage arrears in your current firm?” <i>Wage arrears</i> is coded as one if the respondent answered yes to the question, zero otherwise. <li data-bbox="496 1751 1354 1837">(5) Under China’s minimum wage system, minimum wage levels are fixed by local governments and are regularly adjusted. The survey asks about respondents’ average monthly wage since January 2010. I code <i>Below</i>

Minimum as one if the worker's monthly wage is below the city minimum wage in 2010, zero otherwise.

The Labor Law requires employers to provide necessary protective equipment, such as goggles, work clothes, head covering, and other items needed for the protection of workers. For workers in dangerous occupations or exposed to hazardous substances, the employer is required to provide regular medical examination at company expense. In addition, both Chinese Labor Law and Criminal Law explicitly prohibit physical abuse.

In the survey, the workers were asked a series of questions related to their experience of health and safety violations. *OSH* equals one if workers experienced any of these three violations.

OSH

- (1) Unprotected work. The survey asks, "Since August 1, 2009, have you worked under dangerous conditions without protection in your current firm?" *Unprotected work* equals one if the respondent answered yes, zero otherwise.
- (2) Hazardous work without exam. The survey asks, "Since August 1, 2009, have you worked in a hazardous environment (such as exposed to hazardous substance and noise) in the current firm?" It also asks, "Have you ever received a free physical exam in your current firm?" *hazardous work without exam* is a dummy variable, which equals one if the worker reported his working environment in the current firm is physically harmful (i.e., exposed to hazardous substance, noise, etc.) and the current firm did not provide physical examinations.
- (3) Physical abuse. The survey asks, "Since August 1, 2009, have you experienced forced labor, penalty kneeling and standing, improper search, battery, or seizure by the management?" If the worker experienced any of these experiences, *physical abuse* is coded as one, zero otherwise.

Any violation

Any violation is a dummy variable if the workers experienced any of the five types of violations, zero otherwise.

Table A. 2: Descriptive Statistics for Key Independent Variables: All Workers, With and Without Shared Provincial Local Network with Employer

Variables	All workers			Workers without shared provincial employer-worker network			Workers with shared provincial employer-worker network			Bivariate tests comparing with vs. without shared provincial network workers	
	N	Mean	SD	N	Mean	SD	N	Mean	SD	T statistic	P value (two-tail)
Female	3,919	0.455	0.498	3,454	0.461	0.499	465	0.417	0.494	1.779	0.076
Married	3,919	0.579	0.494	3,454	0.576	0.494	465	0.604	0.490	-1.187	0.236
Age	3,919	30.309	9.373	3,454	30.075	9.063	465	32.042	11.276	-3.607	0.000
Primary school or lower	3,919	0.158	0.365	3,454	0.151	0.358	465	0.209	0.407	-2.899	0.004
Middle school	3,919	0.434	0.496	3,454	0.441	0.497	465	0.383	0.487	2.425	0.016
High school or equivalent	3,919	0.274	0.446	3,454	0.272	0.445	465	0.286	0.452	-0.622	0.534
Vocational school or higher	3,919	0.134	0.341	3,454	0.135	0.342	465	0.123	0.328	0.792	0.429
Legal knowledge	3,919	3.290	4.290	3,454	15.895	5.173	465	15.630	5.308	1.013	0.312
Tenure	3,919	3.290	4.290	3,454	3.193	4.162	465	4.015	5.089	-3.338	0.001
Wage premium (1000 yuan)	3,919	1.174	1.320	3,454	1.162	1.259	465	1.266	1.703	-1.276	0.203
Union	3,919	0.217	0.412	3,454	0.219	0.414	465	0.200	0.400	0.980	0.328

Firm ownership											
SOE	3,919	0.098	0.298	3,454	0.097	0.296	465	0.110	0.313	-0.826	0.409
DPEs	3,919	0.722	0.448	3,454	0.704	0.457	465	0.854	0.354	-8.261	0.000
HMTs	3,919	0.108	0.310	3,454	0.120	0.325	465	0.015	0.122	13.286	0.000
FIEs	3,919	0.072	0.259	3,454	0.079	0.270	465	0.022	0.145	7.059	0.000
Firm size											
<100 employees	3,919	0.324	0.468	3,454	0.301	0.459	465	0.497	0.501	-8.002	0.000
100-299 employees	3,919	0.230	0.421	3,454	0.236	0.425	465	0.183	0.387	2.763	0.006
300-999 employees	3,919	0.203	0.403	3,454	0.207	0.405	465	0.174	0.380	1.751	0.081
>1000 employees	3,919	0.243	0.429	3,454	0.256	0.436	465	0.146	0.354	6.077	0.000
Industry											
Manufacturing	3,919	0.546	0.498	3,454	0.566	0.496	465	0.398	0.490	6.938	0.000
Construction	3,919	0.070	0.255	3,454	0.056	0.231	465	0.172	0.378	-6.437	0.000
Service	3,919	0.229	0.420	3,454	0.226	0.418	465	0.258	0.438	-1.511	0.131
Pearl River Delta	3,919	0.498	0.500	3,454	0.498	0.500	465	0.492	0.500	0.234	0.815