

**2004 Mansfield Conference, The University of Montana, Missoula
April 18-20, 2004**

**Panelist: Ching Kwan Lee
University of Michigan and Woodrow Wilson Center**

“Made In China”: Labor as a Political Force?”

China is the fourth largest industrial producer after the US, Japan, and Germany. As the leading producer in terms of output in more than 100 kinds of manufactured goods, China now makes more than 50% of the world's cameras, 30% of the world's air-conditioners and television, 25% of washing machines and 20% of refrigerators, in addition to the more than 50% of the world's toys. When the Multi Fiber Agreement is phased out in 2005, Chinese apparel will reach 46% of world total production and 20% of textile. 85% of bicycles and 80% of shoes sold in the US are made in China.

It is an immense economy with a relentless growth record: industrial output has grown on average by 12% every year over a twenty-year period 1980-2000. Since last year, it has surpassed the US as the largest recipient of all of the world's foreign direct investment. While the US only sees China as a \$440 billion exporter against which the US runs a huge deficit of \$124 billion, China is also an importer of \$413 billion worth of raw materials, machinery and equipment, many from within Asia.

Chinese workers produce for the world markets, but what kind of workers are produced in the process of post-socialist transition? Everyone knows that Chinese labor is massive (29% of the world's work force) and cheap (1/6 of Mexico, 1/40 of the US. Highest legal minimum monthly wage is \$73 in Shenzhen). But are Chinese workers politically docile or rebellious? My presentation today, based on my research on unemployed state sector workers in the northeastern rustbelt and migrant workers in southern export zones, tries to answer this question. What kind of political force has Chinese labor become?

One view holds that workers are politically weak and subordinated by a highly repressive communist regime. The Chinese government is accused of depriving workers of the right to freedom of association, independent trade union and thereby turning the world's largest reserve of labor into bonded labor. That basically is the argument of the recent AFL-CIO petition to the US government. But there is a second and very different view of Chinese labor politics. When we look at the volume of labor unrest, conflict and demonstrations in the past decade, we see remarkable radicalization. Far from a docile lot, workers have staged significant resistance. Perhaps because they are geographically disperse, lacking a national movement-type organization, and because of a tightly controlled media, labor unrest is less noticed. Figures of arbitrated labor disputes, petitions to government and street demonstrations all indicate rapid and staggering increases of several folds over the course of the 90s. For instance, in 2000, there were 135,000 arbitrated labor disputes nationwide and 30,000 incidents of collective action with worker participation. The largest demonstration of any kind since the 1989 Tiananmen crackdown was staged by workers in the northeast rustbelt city of Liaoyang where 30,000 workers from some 20 factories protested for days in March 2002.

Labor Pain from the perspective of Chinese workers

To many outside observers or the international human rights community, the most egregious of China's numerous violations of labor rights are: the denial of workers' right of free association and of collective bargaining, as well as an apartheid-like citizenship regime under which migrant workers from the countryside cannot enjoy welfare and residency rights as their urban counterparts.

Important and real as these violations are, they may not be the most immediate concerns of Chinese workers. Neither are the punishing long hours and the lack of rest day, unsafe working environment workers' primary grievances. They are merely hardships to be endured. When workers toil for 14 hours or more a day, the last thing they will care about is union organizing or activities. (My own ethnographic experience of working in a Chinese factory in the early 1990s, as part of my fieldwork for my first book, alerted me to workers' lived experiences). However, the most intolerable and explosive labor pain that has prompted even the most docile souls to petition and protest, veteran party members or model workers to block road traffic is something that the world finds unthinkable: unpaid wages and unpaid pensions, and the related issues of illegal wage rates and deduction. All these can be summed up as a "non-payment crisis".

China's Non-payment Crisis

In the heart of NE rustbelt, Shenyang, between 1996-2001, 23.1% of employed workers experienced wage arrears, 26.4% of retirees experienced pension arrears. Nationwide, the total number of workers who were owed unpaid wages increased from 2.6 million in 1993 to 14 million in 2000. The problem is not restricted to old and bankrupt industrial bases with retirees and laid-off workers. Government surveys showed 72.5% of the country's nearly 100 million migrant workers were owed wages. The total amount of owed pay was estimated to be about \$12 billion (or 100 billion yuan). 70% of these are in construction trade. In Shenzhen, official statistics of labor dispute arbitration cases indicated that over a fourteen-year period (1986-99), 70% were about wage arrears or non-payment. The problem has become so serious that the new central leadership announced the collection of back wages for migrant workers one of their top priorities in 2004. Desperate workers in Guangdong have resorted to staging suicide threat in an attempt to collect back wages.

Wage and pension arrears only represent the tip of an iceberg. There are a series of worker grievances that are related to inadequate payment, like non-payment of overtime wages, illegal rates for regular and overtime work, deduction of wages as deposits, etc.

There is no time to go into the details of why this happens. Basically, it has to do with ineffective enforcement of labor law and social security regulations, and the uneven geographical distribution of industrial growth. My focus today is on how workers react to such predicament.

Collective Mobilization: organization and action repertoire

Workers with grievances, be they about wage or pension arrears, dismissals or employers' violation of the Labor Law, usually begin their collective action by inquiring and lodging complaints, requesting local government intervention. In so doing, workers are following a well-established channel of political participation under Chinese

Communist rule. Dating back to the Communist base area in the 1930s, petitioning to the Letters and Visits Bureau is an institutionalized and legitimate means of making demands and expressing popular discontent against the government. Officials handling the petitions usually direct workers to labor arbitration committees or pressure state enterprises to redress workers' grievances. When repeated visits to the labor bureau fail to deliver owed pensions, or when migrant workers are frustrated by pro-employer decisions of labor arbitrators or judges, petitioners are prone to take their demands from the courtrooms to the streets. Many incidents of workers blocking traffic, demonstrating outside government buildings or marching through downtown streets have their origins in mass outrage against official failure to redress their legitimate grievances. At that point, they try to maximize their impact by disrupting the appearance of order and stability cherished by the state. Blocking traffic on the street or demonstrating in front of govt buildings are most effective, letting people know their grievance, damage the image of the city and its pro-investment climate, and disrupt. Superior officials would then be pressured to reign in their subordinate officials directly responsible for their enterprise or labor bureau or dispute arbitration. Police, on the other hand, does not always adopt a brutal repressive stance. They understand that workers have legal grounds to make their claims. Many are sympathetic because families and relatives face similar predicament. And they are cautious not to inflict any injury on pensioners who are old and fragile. When officials arrived on the scene and promised to expedite payment of wages or pensions, workers would dissipate. In rare cases, prolonged official inaction toward individual cases would radicalize and spread worker activism from one to more factories, creating multi-day confrontations. Violent clashes with police or even the armed forces sent in by the higher authorities have also led to arrest and imprisonment of worker leaders.

Worker protests in the past decade and a half in both Liaoning and Guangdong have largely followed the pattern of work-place mobilization, i.e. protests are usually based in one single factory. Plant closure, bankruptcy or relocation cause the most protests, as these are moments of heightened solidarity among workers who find themselves collective victims of unpaid wages and pensions. Both state owned enterprises and non-state factories share similar ecological and social features that can be conducive to workers' collective action. Dormitories for migrant workers in export factories and residential quarters for state workers are geographically close to factories, forming self-contained, all encompassing communities where production and social reproduction activities take place. They facilitate communications and an aggregation of interests, especially at the moment of mass layoff or dismissal.

A major difference between the two types of communities is that state workers' residence survives the termination of their employment, in contrast to migrant workers' itinerant status and lack of permanent dwelling in the cities. Thus, labor struggles in the northeast have the potential to sustain for longer periods of time, up to several years in some cases.

Another important difference in migrant workers' and state sector workers' proclivity to street action is that there is a stronger tendency for radicalization among the excluded laid off workers. Migrant workers, no matter how marginalized, are indispensable to the local economic development whereas laid-off. The distinction in their position of subordination is that between "exploitation" and "exclusion". Therefore

regions with more migrant workers also have a more developed legal infrastructure. The result is that migrant workers are more susceptible to bureaucratic processing, routinization and rationalization of labor conflict resolution. Veteran state workers in rustbelts are more inclined toward spontaneous mass and radicalized action. My research in Guangdong and Liaoning provinces is suggestive of such divergent tendencies of “rationalization” and “radicalization”, although in reality workers have mixed both strategies.

But for both groups, we see a general lack of laterally organized opposition across firms or regions. Official trade unions are conspicuously absent in autonomous worker protests, making inter-factory mobilization difficult. The regime’s highly repressive stance toward “organized dissent” also generates self-limiting action among workers in protests. As long as workers remained work-unit bound in their demands and action, the government responded with moderation and toleration. Finally, the lack of cross-class support has constrained the development of worker protests into broader social movement activism. Students and intellectuals, who were the key instigators of the pro-democracy movement in the late 80s, have been silenced and disillusioned, and many have become winners in the economic reform of the 1990s. The politically concerned members of the intellectual stratum have shunned protests and found in constitutional and legal reform a more promising way to bring about social change. Workers under market reform wage their own struggle, rather than riding on the tide of others’ political activism as they did in the Maoist period. The many legal aid organizations set up by Chinese and international NGOs in the past few years may have the effect of channeling discontent into the bureaucratic / legal systems, and away from direct street actions.

Workers’ demands are predominantly economic: collection of back wages, unpaid pensions, reimbursement of medical expenses, higher severance payment, and sometimes provision of winter heating. When the government ignores or fails to resolve these economic problems, political criticisms against cadre corruption would leave the domain of private conversations in working-class neighborhood and find expressions in petition letters, protest banners and slogans. In-depth interviews with worker representatives and participants in these episodes of collective action reveal a complex political worldview among workers. They are in general supportive of market reform, but they also want more government regulation. The state for them is a positive space to guarantee fair competition in the marketplace and to protect those who are in weak and desperate situations. Their notion of justice is not of equal distribution, but distribution based on desert. The problem in China, as workers perceive it, is social injustice: corruption distorts market, and the state fails to protect the weak. (Note: not associational freedom or democratization)

The Subject of Labor Unrest: Neither Class Nor Citizens

By subject, I mean the individual as socially represented and empowered. (Derek Sayer) It is the link between social structure and social practice. It’s people’s situated self-understanding, or one’s sense of who one is, of one’s social location and of how one is prepared to act. Subjectivity is more encompassing than consciousness of one’s interest in that it includes non-instrumental aspects like habits, affective style and emotions.

Are Chinese workers in protest acting as class or citizen subjects?

Interestingly, just as capitalism arrives in the Chinese workplace, both state and migrant workers reject the appellation of working class (*gongrenjieji*) and they do not use “class” as the discursive frame to constitute their collective experience in the reform period. First, veteran workers stop referring themselves as “working-class” because the regime has repressed class discourse. When class is no longer the idiom of elite discourse, it is deprived of social recognition and empowerment effect. That is, when class has been jettisoned in public discourse, workers are not inclined to use it in public because they reason that it is not effective to obtain results. Second, migrant workers also almost unanimously reject the suggestion that they are part of the working class (*gongrenjieji*). They said to be a “worker”, one has to have an urban residential registration and permanent employment in state work unit. They have neither and therefore are not real workers. Finally, an objective analytical standpoint, the institutional absence of contract and law in regulating Chinese employment relations means that even in today’s supposedly market society, workers are not the contractual, juridical, and abstract labor subject normally assumed in theories of capitalist modernity.

If they are not class actors, are they citizens fighting for legal rights? After all, in banners and petition letters, the rhetoric of legal rights is very salient. What I have found is that workers are very cynical about the legal system. Many observe that laws exist but are not implemented. The more they try resorting to the court or the labor administration to redress their problems, the more they become disenchanted by the regime’s ideology of legality. The process of petitioning to the government quickly turns into a process of discovering the deep pockets of local corruption and power collusion. Why then do they insist on legal rights rhetoric? This Tieling worker representative puts it most clearly, “Because you are talking to the government, you have to talk about laws and regulations. Otherwise, they can ignore you.” Moreover, lawsuits can evolve into protests, much like collective petitions in the northeast. Cases involving blatantly unjust court verdicts at times triggered road blockages outside the courtroom. The aspiring citizens are pushed to the street by an illiberal judiciary financially dependent on the local government and local businesses. At that moment, workers become the masses, exerting mass pressure on local officials.

I suggest that protesting workers are neither class actors nor rights bearing citizens. Their political subjectivity is one of subaltern masses. The “masses” as a political subject is indigenous to Chinese political culture, and has its origin in the Chinese Communist Revolution and Maoism. Enshrined in Mao's "mass line", the masses or the people consisted of workers, the peasantry, the intelligentsia and the national bourgeoisie whose interests were harmonious with each other and also with the state. the masses are to be led by the Party, to be obedient but they are also expected to make active efforts to keep the political system functioning smoothly, to combat bureaucratism and commandism and to "struggle resolutely against all illegal manifestations in order to support the interests of the state and the people". The appellation of the masses still occupies a prominent place in official propaganda, most significantly in Jiang Zemin’s theory of the “Three Represents”, one of which is representing “the fundamental interests of the broad masses”. Now in the reform period, a related notion of the masses has emerged. “*Ruoshi qunti*” meaning groups in weak and disadvantaged positions. Protesting workers repeatedly invoke this term to make moral claims for state protection, reinforcing the leadership and responsibility of the state to those it rules. In several of

their open letters, workers deplored their demotion "from worker aristocracy to weak and disadvantaged group (*ruoshi qunti*)"

The political subject that invokes the law in protest does so as one of the masses appealing to an all-powerful state. It is not out of some die-hard political culture that workers act and organize on the identity of the subaltern masses. It is because mass politics has worked: the Chinese government has shown restraint towards mass action and petition. Wary of the threat of worker activism to social stability, the central government has made slow progress in meeting some of the most urgent livelihood needs of workers. Workers get some of their back wages, their heating restored, injury compensation, and a centrally administered pension. Some of the most blatant fees and treatments of migrants have been removed. The promulgation of more regulation and reform by the central government tends to reinforce the perception that petition is an effective means of obtaining results, incurring the least personal risk. When petitions turn into protests, ritualized or carefully choreographed interaction with police or local officials may give way to more unpredictable, even violent, street actions.

Of course, this mass subject is not unchangeable, and may indeed be the product of existing political realities. As one worker bemoans, "Who can you turn to except the government?" The absence of lateral organization among groups of workers outside of the production site and the lack of any cross-class or cross-community alliance makes it difficult for a subject to emerge independent of the state. But there are more radical potentials in this mass subject: workers are well aware that the Communist Party was able to defeat the Nationalists because they had the support of the masses. A laid-off worker representative alluded to this potential when he said,

"It's a pity that the student protests were abruptly suppressed. Students had a certain foresight that we did not: the problem of corruption is still with us today... We the masses understand that reform will bring with it waves of instability, that we understand. But you (cadres) cannot ask us to sit and watch while you pocket tens of thousands of dollars. It is not easy for us, the masses, to summon the courage to confront the cadres. Only when we have no alternative are we forced to challenge the government (i.e. enterprise). We only want to receive justice from the officials... During the revolution, how could a small Communist army defeat Chiang's Kuomintang? It was because it had the support of the people. Without the people, where would there be any cadres or nation?"

In Shenzhen, angry workers frustrated by the lack of response from the Labor Bureau and Petition Bureau of the City Government blocked traffic in downtown Shenzhen, yelling at the police "Why is no one taking care of workers affairs even though we are under Communist Party rule, and not Republican rule!"

What these remarks insinuate is an association of the masses' moral and political power with the legitimacy of the regime. Overall, I find that workers' identity claims, experiences and interests are deeply embedded in and powerfully mediated by their hierarchal relation to the state and its policies. The driving and empowering force behind labor strife is workers' identity as the masses. It is a subaltern subject that is socially recognized and morally empowered.

Limits to Labor Militance

So far, I have explained how the most restive workers are those most excluded or exploited by the market. Given the severity of their predicament – not getting paid for months on end – why do we not see more militant or radical riots? An important key to this puzzle is workers' socialist entitlements. For migrant workers, the law guarantees that they have land use right in their birth villages. Many return to the countryside during spells of unemployment or in between jobs. For urban state workers, unemployed or retired, many have obtained the property right of the apartment unit allocated to them by the work unit. They own their apartment, can sell or pass onto children even after their enterprises went bankrupt. A popular practice among residents in enterprise housing is that of taking on boarders or renting the entire apartment unit to outsiders so as to generate additional income. These different entitlements not only fracture the masses from within, each constructing the other as a totally different interest group. These entitlements also provide a floor of subsistence that so far has worked to protect workers from the most volatile forces of capitalist labor market and have tied the working masses to the state. In a very important sense, socialist institutions linger in a market society and workers are not the classic "dispossessed proletariats". Unemployed workers and retirees who organized protests insisted that "no one is starving" and peasant workers admit that rural land produces enough for subsistence, although profit making is out of the question. That may be why workers themselves insist on the legitimacy of the central government and consider their interests to be represented by the national leadership. In both cities and villages, popular protests have so far only targeted the local authority, with the central authority enjoying bolstered legitimacy due to its issuance of protective law and regulation.