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REVIEW ESSAY / NOTE CRITIQUE

Chinese Workers Confront Capitalist Labour Relations

Li Zhang

Ching Kwan Lee, *Against the Law: Labour Protests in China's Rustbelt and Sunbelt* (Berkeley: University of California Press 2007)

Carolyn L. Hsu, *Creating Market Socialism: How Ordinary People Are Shaping Class and Status in China* (Durham: Duke University Press 2007)

Edward Friedman, Paul G. Pickowicz, and Mark Selden, *Revolution, Resistance, and Reform in Village China* (New Haven: Yale University Press 2007)

China's economic reform initiated by Deng Xiaoping in 1978 has engendered tremendous social, economic, and political changes on local society. In more recent years, with the deepening of privatization and commercialization, the life of ordinary people, especially working men and women, has been significantly reshaped by new policies and practices under the influence of neo-liberalism. As China has continued to display a remarkable growth in gross domestic product (GDP) annually over the past decade, however, socio-economic polarization has also escalated and has created deeper divides among the population. One of the areas that has been affected and transformed significantly during this period is the field of work and labour. Today work is reorganized in a radically different way than in the past. There are profound trends of commodification of labour, the reconfiguration of classes, and the rise of new labour activism and popular resistance in both rural and urban areas. In this review essay, I address some of the key issues pertinent to the changing situation for working people in the recent past of the People's Republic of China by focusing on three recently published books by Ching Kwan Lee, Carolyn Hsu, and Edward Friedman *et al*. I give greatest atten-

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tion to urban labour politics and emerging institutions of stratification while briefly discussing the changing condition of rural labour and village power dynamics brought by the early phase of post-Mao reforms.

Perhaps one of the most striking features of reform in China is the rise of widespread working-class protests staged by urban laid-off workers from state-owned enterprises and rural migrant workers trapped in capitalist production. Sociologist Ching Kwan Lee seeks to understand this new phenomenon by comparing two distinct modes of labour activism in China's northeastern region (Rustbelt) and south coastal region (Sunbelt). The former is hit the hardest by the reform of the state-owned enterprises (SOE) and symbolizes the slow death of socialism, while the latter is a prosperous region of rapid economic growth that symbolizes the rebirth of capitalism. Yet, despite the radically different social and economic conditions, both areas are confronted with intense labour protests. Drawn from in-depth fieldwork and rich narratives of Chinese workers, Lee's path-breaking research offers fresh and insightful explanations on why and how new Chinese labour activism takes place at this historical moment. Heavily influenced by Marxian and Polanyian theories, her compelling analysis helps us to make sense of the similarities and differences in the protest strategies that have been adopted in the two regions. In particular, she highlights the importance of law as a double-edged sword in mobilizing and limiting workers' action under what she characterizes as "decentralized legal authoritarianism."

Lee's inquiry begins with a puzzle she has observed in Liaoning and Guandong where she conducted her fieldwork. Both places have witnessed massive labour unrest, yet the form and content of the protests are strikingly different. In Liaoning where the socialist planned economy is dying and workers are left stranded in a wasteland of bankrupt factories, veteran workers take their grievances to the street and make moral claims for their basic survival rights. They engage in a particular form of political bargaining by shaming local corrupt officials and by disrupting traffic and public order in order to gain societal attention. She terms this type of action "protests of desperation" in a Polanyian sense because the driving force behind this collective mobilization is to resist the commodification of labour brought by the privatization policy and to reject their abandonment by the state. Lee argues that the basis of this kind of labour activism still rests upon the notion of "social contract" formed in the socialist system. Workers thus see the state as the holder of moral responsibility to take care of its people, especially the working class that was once the core constituency of the socialist regime. These workers have a strong sense of social entitlement even though historical conditions have changed. In their struggles, laid-off workers often invoke Maoist notions of working-class status and social entitlements, and rarely make use of the legal system to solve their problems. Lee's book provides a detailed account of three types of protests: nonpayment protests involving unpaid pensions and wages, neighbourhood protests involving substandard

community services and forced relocation, and bankruptcy protests involving disputes over compensation and corruption. What makes her account powerful and convincing are the rich personal narratives by factory workers who delineate their struggle, plight, and interpretation of the changing situation and their fate. Lee further explores what kinds of insurgent identities or subjectivities are created in this process. Her analysis suggests that workers do not rely on a single form of identity but draw from a repertoire of multiple subject positions, which includes class, citizens, and the masses. They make claims based on their workers' position that assumed a master status in society under socialism, or as citizens (*gongmin*) with basic rights, or as the disadvantaged working masses (*gongren qunzhong*). The co-existence of multiple positions allows workers to use different strategies depending on the specific situations facing them.

Turning to the Sunbelt in the south, we witness another wave of labour protests staged by younger migrant workers in global sweatshops. Lee terms this kind of labour unrest "protests against discrimination." Here the social contract sanctioned by socialism has been largely replaced by the legal contract between labour and capital. The primary goal of workers' struggles is to resist harsh conditions of capitalist production and labour exploitation, rather than to claim social entitlements. Pun Ngai's ethnography, *Made in China*, echoes this account by providing another in-depth account of the subjective experiences of labour discipline among young migrant women (*dagong mei*) working in capitalist factories of the south. In contrast with laid-off workers in the north, migrant workers frequently seek legal mobilization to settle their problems by turning to the labour bureau and the court. Petitions and lawsuits become a preferred weapon of the weak against their powerful employers and corporations. Lee has identified three types of common grievance among migrant workers. The most prominent problem is centred on unpaid wages or illegal deduction of payment. The second is harsh labour discipline and physical violence imposed on workers' bodies. The last type involves work-related injuries and the lack of compensation. One of the most interesting findings in this book is contrary to the experience of veteran workers in the north, class consciousness is almost muted among migrant workers because they rarely view themselves as a unified class with shared interests and solidarity. Rather, they tend to see themselves as second-class citizens (outsiders in the city) and subalterns (*ruoshi qunti*). Lee's account demonstrates that while "the rule of law" has become a dominant official discourse, migrant workers are able to appropriate this language for their own struggle. It is in this context that the notion of "against the law" becomes a common idiom for workers to demand social justice and contest unfair treatment.

Despite the above differences, Lee notes that there are some important commonalities in labour mobilization between the two groups of workers. First of all, these are localized, dispersed, cellularized mobilizations that seldom evolve into large-scale, lateral, cross-locality rebellion. Second, discontented

workers usually target local government and corrupt managers rather than the higher levels of government. When necessary they call for the intervention of the central government while confronting a corrupt officialdom and an illiberal legal system. In other words, their action is not targeted at the reform regime itself, but at certain officials and firm leaders deemed responsible for their plight. These two features are based on a realistic reading of what is taking place on the ground, rather than a wishful thinking about what "should" happen according to a teleological view of post-socialist transformations.

A common question raised by many China observers and scholars is: Why doesn't such insurgent labour activism develop into large-scale workers' rebellion that threatens the political regime? Others wonder how Chinese workers actually survive during unemployment and nonpayment. State repression is often cited as the main answer for the first question. Lee argues that in addition to state repression we must also look into the way in which labour power is reproduced and the lingering form of living shaped by the socialist *danwei* system. Chapter Four ("Life after Danwei") and Chapter Six ("Dagong as a Way of Life") therefore are more than a descriptive account of workers' survival strategies, and shed new light on the question of why no rebellion occurs. One of the crucial factors for laid-off workers' relatively tamed action is the nearly universal housing provision by their work units. Laid-off workers are still entitled to the housing provided by their *danwei* and maintain social ties with former co-workers who share the residential space. Many have already purchased the apartment they live in at a heavily state-subsidized rate during the privatization of public housing. This is why massive lay-off does not necessarily lead to the rise of homelessness in China. At the same time, rural migrants exist between the two worlds–the city where they come to sell their labour and the countryside that serves as the flexible site of labour reserve and maintenance. Rural land serves as an informal social insurance to which migrants can fall back on during difficult periods of unemployment, sickness, and nonpayment. Because of these reasons, contemporary Chinese labour insurgency has not developed into a militant confrontation with the regime, nor does it demand a fundamental restructuring of the social and economic system. It remains a localized, cellularized form of activism aimed at solving immediate problems.

A key argument Lee develops in this book that explains the stalled legal reforms in China and the contradictory instances of the state facing Chinese workers is the tension between accumulation and legitimation. She suggests that the local state is primarily concerned with accumulation, profitability, and economic gains while the central state is more concerned with political legitimacy. While I agree that the tension between accumulation and legitimation is a critical factor in understanding political dynamics in China today, I would quibble over the simple division between the local and the central state. In my view, this tension exists at all levels of the state. For example, provincial and municipal governments are interested in not only pursuing economic

development but also maintaining their image and legitimacy with the public. Depending on different regional histories and local conditions of the economic reform, some local governments might face more difficult challenges than others. Thus, how to balance these two efforts is a key measure of the art of governing a post-socialist society.

If Ching Kwan Lee's book is primarily concerned with labour unrest among two highly disadvantaged social groups on the bottom of Chinese society, Carolyn Hsu's *Creating Market Socialism* expands the scope to what she calls "ordinary people," which includes a variety of individuals in different kinds of urban workplaces. Based on her fieldwork in Harbin in northeastern China, Hsu explores how ordinary people (not just state policies or market forces) have helped shape emerging social institutions through their collective narratives and everyday practices during the post-Mao economic reforms. Her primary concern is the system of social stratification through which class, status, and value are reconceptualized and articulated. Harbin is an interesting place to examine these issues because it was once a socialist boomtown, a privileged site of heavy industrial production under Mao, but has recently declined due to the restructuring of state enterprises and subsequent massive layoffs in the late 1990s. This drastic change has produced a great deal of confusion, resentment, and uncertainty among ordinary citizens who must now re-negotiate class and status. In order to gain a broad perspective of how ordinary people talk and think about class and status, Hsu selected five very different workplaces as the main focus of her observation and interviews: a government agency, a traditional state enterprise, a hybrid state enterprise, a private company, and a street market. Her interviewees come from a variety of social and economic backgrounds, ranging from cadres, firm managers, entrepreneurs, and university professors, to factory workers, salespeople, and janitors.

What makes Hsu's approach distinct from other sociological studies of shifting stratification in China is her focus on the central role of narratives in social change. For her, collective narratives are not merely a reflection of reality. Rather they affect collective actions that ultimately shape social institutions and help people make sense of the world in which they live. As Hsu puts it succinctly, "narratives play a vital role in social change because they provide the frame through which social actors make sense of surrounding conditions and through which they create strategies of action to respond to those conditions." Thus, narratives mediate between practices and institutions or systems. This narrative-centered approach is heavily influenced by such theorists as Paul Ricoeur and David Carr. Hsu also provides a fruitful reworking of Anthony Giddens' classic analysis of the dialectic relationship between individual action and social systems by bringing the productive role of narratives into the account. Building on Pierre Bourdieu's notion of class as a multi-dimensional space, the main body of the book explores major paths to status and class that are built on political capital, economic capital, social capital, and human capital in post-socialist China.

The most interesting finding about political capital is that although in reality cadres continue to enjoy more benefits and access to resources, its salience in affecting one's career path and standard of living has declined in collective narratives. Most people no longer view party membership or cadre status as key to a good life. Instead, the emphasis has shifted to the accumulation of human capital such as obtaining a college degree and technical skills. Meanwhile, corruption narratives figure prominently in the current consideration of cadres as a social group. Due to the massive state sector layoffs (*xiagang*), cadres are increasingly seen as corrupt and predatory agents who are "eating" their workers rather than serving their people as claimed by socialist paternalism. This finding resonates with Lee's research among laid-off workers who are extremely resentful toward local officials and factory cadres. In this context, the particular form of political capital that was once highly desirable and privileged under socialism is fading away. However, this does not imply that state legitimacy is in crisis. As Hsu indicates, most people do not object to the overall direction of the reform or the ruling status of the Communist party; rather they are critical about "the competence and morality of the people designated to implement it."

With the decline of political capital, economic capital has gradually assumed a central place in social stratification. Yet, what is emerging is not a monolithic discourse on money, but competing narratives on the value of money. There exist contradictions and ambivalence about economic capital among different social groups. Hsu argues that money alone cannot serve as a determining factor in the conception of entrepreneurship; human capital or the notion of *suzhi* plays an increasingly important part. A valuable insight this book offers is that Chinese people today tend to maintain a bifurcated view of the business class. The distinction between "real" entrepreneurs versus *getihu* goes beyond the size of the business and depends on the *suzhi* of the social actors. Entrepreneurs with higher education and high tech knowledge are regarded as having "high quality" and thus as "good businesspeople." They embody the future of Chinese society and a most desirable mode of upward social mobility. By contrast, *getihu* are deemed as having "low quality" and thus as being undesirable. Their economic capital does not automatically endow them with higher social status.

As other China scholars, such as Ann Anagnost, Andrew Kipnis, and Hairong Yan, have pointed out, the notion of *suzhi* has become a powerful yet vague criterion of measuring and explaining one's status in contemporary China. It is frequently associated with formal schooling and the cultivation of culture, and is deployed by neo-liberal discourses to remake Chinese citizens into a new kind of subject who voluntarily embraces market value and self-enterprise. Arguing against the view that *suzhi* discourse is merely a negative and oppressive tool of the state and elites, Hsu suggests that we must also investigate how ordinary citizens appropriate this state-originated discourse to negotiate state power and resist the reductive values of neo-liberal capital-

ism. This is a welcome contribution to the current debate on *suzhi*, but at the same time we must also be cautious not to overly romanticize the subversive potential of *suzhi*. Despite such different interpretations, it is widely acknowledged that in post-Deng China human capital (embodied in the notion of *suzhi*) is becoming increasingly salient among urbanites and has gradually overshadowed other forms of capital. That is why the emerging *suzhi* hierarchy becomes a core element in the social construction of class and status in 21st century China.

But how did China arrive at its current values and institutional life? How did the economic reform take place and gradually transform people's life? The third book I will discuss here takes us back into the socialist history from the 1960s to the early reform years in a Chinese village. *Revolution, Resistance, and Reform in Village China* is an exceptionally rich account of local history based on the authors' 25 years of research on a Northern Chinese village called Wugong. This is a continuation of the first volume, *Chinese Village. Socialist State,* now a classic study of the same village from 1920 to the collapse of the Great Leap Forward. The two volumes together form an ambitious project that traces rural politics, social change, and the lived experiences of ordinary people caught in the countless turbulent political campaigns under socialism. Although focusing on the micro-politics and a single village, the two volumes can be read as an epic of rural socialist history.

A striking feature of *Revolution, Resistance, and Reform in Village China* is that it focuses on the role of human agency–the practices and narratives of villagers and local state agents in coping with, resisting, and making sense of the political situation and social conditions facing them. These actors are not just victims of socialist policies, but are also agents who negotiate with the central figures who implement changes. The volume chronicles several important events by presenting a complicated picture of how different social and political forces interact with one another to produce a meaningful local world. In this account, the socialist state does not appear as a monolithic entity vis-à-vis the village; rather it is itself a contradictory formation consisting of many layers and agents who do not always share the same interests and logic. The state is deeply entrenched in everyday rural life.

What is more relevant to the main concern of my review essay is the detailed account of the reactions of Wugong villagers and cadres to the rural reform initiated by the Deng Xiaoping regime. As the book demonstrates, the reform was a long and painful path, and early reform policies were often contested and delayed. As Wugong gradually adopted some reform policies and turned to commercialization, many people were discontented with the changes and critical regarding the decline of morality and the rise of money power. In particular, the sharp social inequality brought by the reform created a deep divide between the "losers" and "winners." The authors document this agonizing process in which rural residents constantly compared what the reform had brought them with the revolutionary era. For many, their moral world

was turned upside down and their nostalgia for the Maoist years grew. But the book also acknowledges a generation and gender gap. For village youth, especially young women, the reform era was liberating as it opened up more opportunities in work and life choices. For example, marriage practices were changing, and young women were gaining more voice and agency. This trend continued to develop and was manifested more clearly in other rural areas, as richly documented by anthropologist Yunxiang Yan in his book *Private Life under Socialism* (2003). As Wugong became more open toward the outside world, there was also an increased tension between the local and the modernizing world around it. Rather than being weakened by translocal and global influences, lineage bonds were strengthened and villagers seemed to embrace a stronger local mentality in their everyday practices.

The three books I am concerned with here focus on different historical periods of the People's Republic of China, and are written in very different styles. First, Friedman, Pickowicz, and Selden's volume covers a long period of over three decades, providing insights into local rural reactions to the crucial shift from Maoist socialism to the post-Mao reform. By contrast, Hsu's and Lee's studies examines the post-Tiananmen reform era and urban society, particularly since the mid- and late 1990s. During this period, the economic reform has deepened and social inequality has become more pronounced. Labour problems and class tensions that were relatively latent in the early reform years began to surface and to become a dominant form of urban politics. The post-Tiananmen period has also witnessed a consolidation of state power buttressed by amazing economic growth and the growth of new social institutions. Another striking feature of the late reform period is the wider adoption of the new language of law and citizens' rights. The three books thus capture different problems and forms of political dynamics facing different historical moments.

Second, the three books have their own strength in terms of focus. Friedman *et al*. delve in a single village and provide an in-depth story of nearly very aspect of its social and political life. Their narrative thus serves as a window into the vicissitudes of change in the Chinese countryside at large. While focusing on one or two localities, both Lee's and Hsu's books situate their study of China in a larger comparative context. The issues addressed by Hsu have broad implications for understanding the changing dynamics among the state, citizens, and the market, and the creation of new social institutions in other post-socialist societies. In particular, Hsu makes a compelling comparative analysis of Chinese *guanxi* and Russian *blat* to illuminate the centrality of informal social networks in the two transforming economies. Likewise, Lee compares the situation of China's rustbelt and sunbelt with that of the global rustbelt and sunbelt produced by the global restructuring of late capitalism. These comparative insights show that what is taking place in China is not an isolated phenomenon, but part of the global trend of change. Yet, their accounts also demonstrate that China does not simply follow a singular

pattern of social change predicted by some Western observers. Thus, they heed distinct local characteristics and invite readers to rethink what the Chinese experiences might speak to the dominant narratives of global capitalism. In so doing, they complicate the somewhat optimistic story of what political economist Giovanni Arrighi calls "the Chinese ascent" in the 21st century in his ground-breaking book, *Adam Smith in Beijing*.

Whether contemporary China should be characterized as "post-socialist" is debatable. Yet what is becoming more and more clear is that the Chinese path is not a simple repeat of the triumph of market capitalism, and that the lives of ordinary Chinese people have been fundamentally transformed and increasingly polarized. All three accounts show that the Chinese state continues to be quite relevant and deeply intertwined with everyday life and local politics, but at the same time we must foreground the role of ordinary citizens (villagers, urban workers, migrants, entrepreneurs, cadres, and so on) in order to fully grasp China's emerging political economy. For students of China and post-socialism, and for those who wish to gain an in-depth look at the changing state-citizens dynamics, the impact of the market reform, workers' unrest, and the cultural politics of class, these three books are a must read. Since they are all written clearly and free of jargon, they are highly accessible to a wide readership and can be used in graduate and undergraduate teaching in political science, anthropology, history, sociology, and Chinese studies. Their persuasive arguments and richly detailed documentations will ignite further debates on the trajectory of Chinese society and its implications for the emerging configurations of global economy and political order.