

## FROM “MASTER” TO “MENIAL:” STATE-OWNED ENTERPRISE WORKERS IN CONTEMPORARY CHINA

*Au Loong Yu*

---

*This essay first looks at “enterprise democracy,” as defined by law, in China, and examines why it has never been genuinely implemented and how this relates to workers’ failure to resist the privatization of their enterprises at the turn of the century. It explores the crippling clauses in the laws, especially those relating to the ACFTU (All China Federation of Trade Unions), which also show the deep hostility of the ruling party towards any sign of autonomous movement from below. It links the party’s lack of incentive to respect the rule of law to the material interests of the ruling bureaucracy, and argues that this can be traced back to Mao’s period. It therefore does not agree with the notion, put forward by some, that the Chinese working class in the state sector was really the “master of the house” in that period. Precisely because of decades of atomization prior to the reform period, workers were left defenseless when the market reform attack started. Although they rose to protest in millions in 1989, the defeat of the movement paved the way for a second wave of attacks on workers, namely the privatization of state owned enterprises. The essay concludes with a debate on the lessons to be learned from the Chinese workers’ demise and the way forward for them.*

---

In July 2009, workers at the stated-owned Tonghua Steel Mill in Jilin province violently resisted repeated attempts at privatizing their plant, to the point of beating the manager to death upon hearing his threat that he would sack all of them if he remained alive. Their struggle helped stall the privatization and encouraged similar struggles in other state-owned steel mills. This incident occurred against a background where the central government had previously issued instructions to local governments reminding them that local officials and state-owned enterprise (SOE) managers should respect the laws, including the one concerning the consulting of Staff and Workers Representative Congresses (SWRC) before any change of ownership. After the incident the All China Federation of Trade Union (ACFTU) released a statement reminding its officials that they should uphold the rights of the union and the SWRCs.

Indeed, it was not in the distant past when more than 100 million SOE workers enjoyed job security and basic welfare, and the laws on industrial democracy granted them many rights which were even more far ranging than the German Work Council model. In addition to this is the fact that their “leading role” in the running of the country and their political rights were (and

still are) all enshrined in the constitution. However, all these legal rights neither enable most workers to protect their enterprises from being unlawfully privatized nor save them from being unlawfully sacked, because the laws are simply bypassed by the cadres. How this could have happened should be of interest to labor activists. This article tries to look into the institution of industrial democracy in Chinese SOEs<sup>1</sup> and the political context which has hindered its proper functioning. This is then followed by an evaluation of the status of the working class in Mao's China. We hope that our narratives may help to shed light on how and why the alleged "leading class" of China met its eventual downfall, and what lesson can be drawn from that closed page of contemporary history.

We believe our study is also relevant for making a more balanced evaluation of the more recent efforts by the ACFTU to promote a series of labor law legislation. While these efforts are welcome, we must not overlook the fact that these laws are often not implemented at a grassroots level. In a country which does not respect the rule of law and freedom of speech, it also means that wherever workers' legal rights are infringed, most of the workers concerned will find it hard simply to voice their grievances. This should not be surprising to us in the first place, if we are aware of the fate of the SOEs workers. No single labor law or single piece of social reform, or its effectiveness, can be correctly assessed without referring to broader societal factors and to lessons drawn from the recent past. It is with this in mind that we make the present investigation into SOEs workers and the China model of "industrial democracy."

### **Privatization: "Doing without Saying"**

Back in the late 1980s, there was already a popular saying about the course which the Chinese Communist Party (CCP) was actually taking: *Dazuodeng, xiangyouzhuan*. Using a driver driving a car as a metaphor, it depicted the CCP as turning to the right while making a light signal to turn to the left. The people's intuition about what CCP was going to do was right: after the 1989 crackdown on the democracy movement, the CCP, while still talking about building "socialism," made a great leap forward toward capitalism instead, and the first step was undeclared privatization.

China kick-started its wave of privatization in 1996 when the CCP announced the "Seize the big and let go of the small" policy under which it would simply sell off the small SOEs—in fact in the process many medium-sized enterprises were also privatized. It is true that big SOEs generally remained state owned, but their profitable subsidiaries were listed on the stock market so that they would be run on a commercial basis as private enterprises are. Therefore today, even if they remain state owned, their nature is entirely different from in the previous period; previously they were run for the sake of the public good. Now they are run to make money. As of 2001, 86 percent of state industrial enterprises had been restructured, and 70 percent had either been partially or fully privatized.<sup>2</sup>

This overwhelming wave of privatization directly led to the redundancy of tens of millions of state or collective enterprise workers. However, this process has differed from privatization in the former Soviet Union, since the CCP has all along refused to admit that it is driving privatization in China. Instead, it claims that it is *gaizhi*, or that it is to “reform the system,” that is, renovating the old into a “modern corporate system.” Even as late as March this year, the president of the Standing Committee of the National People’s Congress (NPC), Wu Bangguo, still asserted in his report to the fourth Plenum of the eleventh NPC the “solemn declaration that we do not do privatization.” The Chinese public has a very accurate saying to describe the CCP’s entrenched hypocrisy: capitalism can be practiced but not spoken, while socialism can be spoken but not practiced.

The tragic defeat of the 1989 democratic movement made most workers demoralized and confused, largely disabling them from launching effective resistance to the privatization offensive when it began. But since the late 1990s, sporadic protests against privatization began to pop up all around the country. While there were numerous protests, they tended to arrive too late and in this rather limited struggle, the actions were mostly confined to single enterprises. The courageous 2002 initiative by the Liao Yang Alloy Enterprise workers to mobilize workers from other plants into the same struggle was an exception. Precisely because of this the local government quickly repressed their struggle and sentenced the leaders to prison. Given that the overall balance of forces has never been in the workers’ favor, it is not all that surprising that most of the workers’ anti-privatization struggles have ended in defeat, or at most have led to improved redundancy packages (i.e., relinquishing their entitlements as state workers in an arrangement officially called *maiduan*).

### **“Public Servants” Turned into Masters**

The flipside of workers being hit by redundancy was the rapid rise of the former SOE directors or chief executives, who became the new owners or senior management of the enterprises’ post-privatization, undoubtedly also benefiting officials in the local governing authority in the process as well. The “masters” were reduced to the unemployment scrap heap, yet the public servants of the previous era turned into the masters virtually at the touch of a magic wand. Wang Lianli made this observation in his article “Raise the reward of labour, press on with a preliminary (social) redistribution”:

The findings of the ‘Report on the 2002 survey of private enterprises in China’ reveal that among enterprises that had been transmuted into private entities following the ‘system reform’, in 95.6% of cases their previous leadership during the SOE days became the enterprises’ key investors-cum-chief executives following their privatisation. A similar party leaders-turn-investors/CEOs reincarnation happened also in 95.6% of the cases of the previous municipal and town collective enterprises, and in 97% of the previous rural village enterprises. By another measure, 60.6% of those formerly in charge of a SOE bought up the enterprise during the ‘system reform’ transition.<sup>3</sup>

On the surface, workers were able to access shares of the privatized enterprises during the “system reform” of SOEs into equities entities. But in reality, the local authorities always favored the enterprise directors, granting the biggest ownership slice to the operators to ensure that they held the controlling stakes. Workers’ share of the ownership cake often ended up as little more than bait with which the enterprise director conned them out of the last bit of their savings. Starting as a compulsory exercise to coerce workers into taking part in raising an enterprise’s capital, more often than not, it would not be long before the enterprise would enter bankruptcy, perhaps by design, thus looting workers of their hard-earned savings in the process. Alternatively, the operators might make up all sorts of excuses in order to get workers to forego or sell off their shareholdings. Or they might use a combination of these methods. This was the first act of appropriation of workers by the communist cadres. The second round of appropriation would take place soon after, either during or after privatization, when workers were dismissed en mass and lost their right to jobs altogether.

### **Staff and Workers’ Representative Congress as an Institution of “Enterprise Democracy”**

The SWRC model was first introduced into China following the CCP’s 1949 victory, and survived until the 1957 anti-“Rightist” purges at the latest, after which for 20 years it was little more than an empty shell. It was only after Mao died in 1976 that the issue of democratic management at the workplace was back on the agenda. Many people at the time saw the autonomous workers’ self-management regime in Yugoslavia as a model, and most were in favor of reviving the SWRCs as a means to keep the enterprise directors in check. While the State Council formally declared the reinstatement of SWRCs in 1980 and groomed them to be the means with which the working class was able to call the shots in their country under the CCP, the Solidarity strike movement in Poland made the CCP think again as it obviously did not want a similar thing happening on its own turf.<sup>4</sup> This partly explains why the institution of SWRCs was designed in such a way as to weaken workers’ control over the institution while empowering them in appearance (for more see below).

In 1991, SWRCs reportedly existed in 60.2 percent of state enterprises.<sup>5</sup> According to a *Workers’ Daily* report in 1998, the directors of 660 state enterprises in Tianjin had to leave their jobs after they failed to win more than 50 percent support at their SWRCs.<sup>6</sup> Another *Workers’ Daily* report in 2005 reported a successful case where a SWRC acted as an organ of workers’ power at an enterprise called the Wuhan Iron and Steel (Group) Company:

‘For us here, the SWRC is real.’ Counting with his fingers, employee representative Nie Dehu from a coking division of the Jiao Hua Corporation, listed [the purported supremacy of workers] as he was attending the first meeting of

Wuhan Iron and Steel (Group) Company's 11<sup>th</sup> plenum . . . In recent years, more than 40 director-grade cadres were either cautioned or deposed after they failed to secure enough support from the democratic assessment process . . .<sup>7</sup>

An ACFTU study showed a different picture however. Kevin Jiang quoted an ACFTU 1987 survey indicating that only 29.26 percent of respondents thought that SWRCs were very useful (6.25 percent) or useful (23.01 percent). But he also quoted the results of separate interviews with 10,000 workers from the same ACFTU report, which suggested that the percentage of interviewees who thought that SWRCs were either very useful or useful was considerably lower than 29.26 percent. In the notes, he further suggested the probability that the survey results were either a product of manipulation or the respondents were afraid of retaliation if they made undesirable responses.<sup>8</sup>

According to Zhu Xiaoyang and Anita Chan, the ACFTU conducted another survey concerning SWRCs in 1997 and found that in general "only a third of the responses are positive evaluations (of SWRCs), which is not enough to change the image of the SWRC system being largely window dressing and the workplace union being nothing more than an arm of management."<sup>9</sup>

Now even the official press carries de facto admission of the paralysis of the SWRCs because it is too obvious a case. Following the vigorous anti-privatization struggle by the Tonghua Steel workers, a mainland China newspaper published an article in July 2009 that was entitled "Why are SWRCs useless?" which went into detail about how and why the SWRCs fell short of their responsibility to protect workers' rights and interests.<sup>10</sup> (For more, see below)

Legally SWRCs command sweeping power, and the CCP has seized on this all along to brag about how much it respects democracy at the workplace. According to Article 52 of the 1998 "Law of the People's Republic of China on Industrial Enterprises Owned by the Whole People," the SWRCs general assembly has jurisdiction in five areas, summarized as follow:

1. to be consulted on major strategic policies of the enterprises;
2. to enjoy the right to codetermination over redistribution of income, including the share of wages/bonuses, and the right to make important regulations (of the enterprises);
3. to decide, along with the management, on how to use the workers' welfare fund, the distribution of welfare houses among employees and all important issues concerning workers' welfare;
4. to monitor the performance of cadres at all levels and to make suggestion on rewarding or penalizing them;
5. in accordance with the arrangement of the supervisory government department, it has the right to appoint or dismiss the enterprise director, or at least to propose a candidate list;

The work councils in Germany are similar to SWRCs in China, except that the Chinese variety has more power than its German cousin. For instance, the German work councils do not have the right to be consulted or to decide on who shall be the enterprise director or personnel in the management. Zhu Xiaoyang and Anita Chan considered that “if the SWRCs in China were indeed able to exercise their rights as defined by law, the rights enjoyed by Chinese workers of state and collective enterprises would far exceed those of workers under any capitalist system.”<sup>11</sup>

But the devil is in the detail. While the CCP deploys the most impressive-sounding punch lines on big issues such as “enterprise democracy” and “the laboring people takes charge,” in terms of the actual policies and legal fine print, it is seeking to ensure that the party committee continues to monopolize all power, vaporizing workers’ statutory and political rights into thin air. First, with regards to the qualifying conditions for SWRC candidacy, while enterprise management is barred from standing in elections in the German work councils, their Chinese counterparts—management staff members and leadership cadres—are not only eligible to stand for SWRC elections, it is in fact guaranteed that “the leading management cadres of the enterprise generally, including those on the shop floor and various departments, shall comprise one-fifth of the SWRC delegates.” This stipulation was enshrined in Article 12 of “Staff and Workers’ Representative Congress Bill for Industrial Enterprises Owned by the Whole People.”

The *Dong Fang Daily* points out another institutional defect as follows:

Under the existing legal framework, if the workers and their SWRC delegates were not happy with those decisions, there is no reasonable means of redress. What is more, Article 54 of the “Law of the People’s Republic of China on Industrial Enterprises Owned by the Whole People” carries the special stipulation that SWRCs has the responsibility “to support the enterprise directors in the lawful discharge of their official authority and to educate workers of their obligations to abide by the provisions of this law.”<sup>12</sup>

### SWRCs and the Trade Union

Another difference between China’s SWRCs and the German practice is that in the latter’s case, its work councils and trade unions constitute two independent systems. Neither is subordinated to the other, nor do they owe each other any rights or responsibilities. Work councils enjoy the right to be consulted over enterprise management matters, but it cannot initiate a strike as a trade union can. While work council representatives are often also union members, they cannot put on their union hats while they exercise powers conferred to them by a work council. They have to keep the two identities strictly separate. It is quite the opposite in the case of China where an enterprise union of the ACFTU is stipulated as the SWRCs’ executive body and is also responsible for organizing the election of SWRC delegates.<sup>13</sup> On the surface, a union is accountable to the SWRC. Yet, since the SWRC does not have a standing executive body of its own

or its own paid staff, and it can only meet at most once every six months, its real authority naturally falls into the hands of the union.

This arrangement thus ensures that CCP cadres can castrate SWRCs of their nominal power and keep workers tightly in their grip more effectively. This is because of the fact that the ACFTU has always been under the direct control of the Party. Never has the ACFTU ever discharged its basic responsibility in defending the interests of workers independently of the Party. Union leaders who have been sympathetic to workers have more often than not been demoted. This was what had happened to the first two prominent ACFTU leaders—Li Lisan and Lai Ruoyu—who were both criticized and lost their power based on the trumped-up charge that they sought independence for the trade union and “opposed the party leadership.” Lai, during the Great Leap Forward was condemned for his policy of trying to accommodate simultaneously the “leading role of the Party” and the union’s role of defending the material interests of workers as “economism” and “syndicalism.” For the Party, the union’s central task was (and is) always to promote production<sup>14</sup> rather than defending the material interests of workers. No wonder that soon after Lai was demoted, the Party, for a while at least, decided that in this climax of “building communism,” the ACFTU should simply “wither away” and merge entirely into the newly built “communes.” After the Party’s retreat from this great adventure, the union was allowed to recover some of its role. This was not to last for long though. During the Cultural Revolution, the ACFTU was completely closed for business for the same alleged mistakes of “economism.”<sup>15</sup> Since Deng Xiaoping’s return to power in the late 1970s, the Party instructed the ACFTU to resume its role. The purges against more liberal-minded cadres within the union did not end with the close of Mao’s period, however. Due to the fact that a large number of workers and ACFTU rank-and-file cadres took part in the democracy movement of 1989, after it was suppressed the ACFTU engineered a new drive to purge from its ranks independent thinking cadres, including the Vice Chairperson of the ACFTU Zhu Houze. After having purged its ranks repeatedly for 60 years, the ACFTU had long weeded from its ranks the liberal minded cadres. Little wonder that in this wave of privatization at the dawn of the twenty-first century, all the ACFTU could do was to bob along with it or even give it a gentle helping hand, at most offering some counseling for the redundant workers, urging them to retreat from their previous mindset of feeling superior to others.

In Tang Wenfang’s book *Who is in charge: the contemporary enterprise policy in China*, the author conducted a survey in 1991–92 among SOEs workers, that is., in a pre-privatization era. The survey reveals that whenever workers encountered problems with their job titles, housing, wages, dismissal, and industrial injury issues, they all, with not even one single exception, would first approach the enterprise leadership or government authorities in looking for a solution.<sup>16</sup> The irrelevance of the union could not be clearer. With this in mind, it should not surprise us that more often than not the workplace ACFTU, as the standing executive body of the SWRC, acted more as a brake on “enterprise democracy” than a promoter of it.

While many commentators have praised the ACFTU's labor legislation drive, we will argue that the most important criteria for judging its success is looking at the results. Wages all round the country continued to slide: the labor share of China's gross national income fell from 52 percent in 1997 to 40 percent in 2007 (by contrast, the labor share of Thailand's gross national income stood at 65 percent in 2007), or a 12 percent drop in 10 years.<sup>17</sup> Meanwhile, the share of business profits surged. Given a mass ACFTU membership of more than 190 million members, its chairperson being a Politburo member of the Communist Party and the fact that the Chinese economy has been growing at nearly 10 percent annually, and which gives the union a lot more favorable situation for collective bargaining that the ACFTU still allows the workers' share of the national income to fall markedly is the best indicator of its failure as a workers' institution.

### The Law versus the Party

Even watered down "enterprise democracy" has not been functioning at all in China since 1982. The law is often bypassed or ignored by leading cadres. For instance, the proportion of SWRC delegates with management background often exceeds the one-fifth limit, sometimes by more than half. The *Dong Fang Daily* report quoted earlier presents the following coverage:

There just were not enough frontline workers involved in the actual running of the SWRCs. Those who stand a chance of being elected as SWRC delegates are mostly in middle management or even higher positions in the enterprise while the rank-and-file workers constitute only a tiny portion of the delegates. These middle management personnel did well from mergers and acquisition or other enterprise restructuring in an overwhelming majority of the cases. Therefore, it is not hard to understand the phenomenon where the interest of the average workers were far from adequately protected in the course of the 'system reform' of state enterprises.<sup>18</sup>

In addition to this is the fact that SWRC delegates rarely go through the proper procedure of a free election campaign where candidates contest for seats, hence more often than not, the representatives are handpicked by the leading cadres, reducing the SWRCs into a rubber stamp, just like the trade unions are. Or if the management lacks confidence in manipulating the SWRCs, then they are simply being bypassed altogether. In both cases, they just ignore the laws.

There have been reports about workers successfully taking control of SWRCs to defend themselves though. Zhu Xiaoyang and Anita Chan studied three SWRCs and found that two of them were "successful SWRCs," with the first one acting as "a consultation mechanism between workers and management," and the second one "came closest to a democratically elected and functioning SWRC."<sup>19</sup> The anti-privatization struggle of workers at the Zheng Zhou Paper Manufacturing Enterprise in 2000 was also organized through the SWRC.<sup>20</sup>

These, nevertheless, were but rare exceptions. In general, most SWRCs have either long been paralyzed or have simply acted as rubber stamp of the party cadres before and during the privatization. In the aforementioned ACFTU's 1997 survey on SWRCs, only a third of interviewees gave a positive evaluation of SWRCs. Zhu Xiaoyang and Anita Chan admitted that even the minority opinion which gave a positive evaluation was "likely to be overrepresented." What is curious is that what follows is, rather than an indictment against this situation, they came to the defense of SWRCs as relatively effective workers' institution—relative to the Western practice of codetermination. They argue that since the European codetermination model does not really guarantee workers' participation, meaning that "even under democratic systems, work councils and workplace unions do not get high evaluations from a majority of workers and employees," then "we cannot expect the majority of SWRCs in China to operate close to the ideal." This argument is a bit odd. If both the Western and Chinese models are equally bad, instead of using the failure in the West to justify the failure in China, the only possible and logical conclusion should be to criticize both of them.

In a country where basic civil liberties, especially freedom of speech, are absent and where by law even conducting a social survey requires permission from the authorities, some skepticism of all official surveys is required because we simply have no way to check their authenticity.<sup>21</sup> What is more is that when trying to make an evaluation of the effectiveness of SWRCs (or the trade union), it is always equally important, if not more so, to look at the end results. In just 6 years (1996–2001), as a result of privatization, 40.5 percent of the entire manufacturing industry workforce was cut, equal to the elimination of 26.12 million jobs.<sup>22</sup> The total number of dismissals from all sectors of the economy was somewhere between 30 and 40 million. If most workers had real control over the SWRCs then the struggle between those supporting and those against privatization would have been a more long drawn out fight, or the struggles against privatization would have been more open and more widespread. This is based on the assumption that most workers did not support privatization though, not on any independent and comprehensive survey which is quite improbable under the regime. This assumption of workers' attitude toward privatization is not unreasonable, however, given that SOE workers in general possessed some kind of class identity and collective consciousness. While evidence points to the fact that SOE workers were in general quite confused in their attitude toward the macroeconomic decision of the Party to build a "socialist market economy"—which in turn shows the limitation of their consciousness—they were sensitive to the looting of state property in their plants by the leading cadres, because they knew only too well that it would be them who bore all the costs. In addition to this was that, under common ownership, they believed that it was their labor which had contributed to the industrialization of Communist China in general and to the development of their own plant in particular, hence they considered themselves having a rightful claim to defend their plants against theft. This is what Ching Kwan Lee described as "workers' claim of collective ownership of their work units," or a "social contract . . . between the paternalistic state and a politically acquiescent populace."<sup>23</sup>

Most SOEs workers would oppose privatization if they were well informed beforehand and were given the chance to voice their opinion. The fact that despite repression, workers' anti-privatization struggles have still sprung up from time to time also acts as evidence for this.

If any SWRC, at some point in its existence, was to a certain extent a genuine representative of workers' interest but voted in the end to approve privatization, it is most likely because either they saw no way out (mostly because of lack of capital to run the plant as collectively owned enterprises), or because the enterprise director succeeded in dragging the enterprise into bankruptcy, or the national policy had cornered state enterprises into a dead end (as banks stopped extending them credit lines), or a combination of all or most of these factors.

Whereas Ching Kwan Lee describes the SOE struggles as "non-payment protests," "neighbourhood protests" and "bankruptcy protests,"<sup>24</sup> we prefer to term these struggles as "resistance to privatization" in general, despite the fact that only part of these struggles were explicitly opposing privatization. Lee's three categories may have the strength of referring to the direct nature of most of these struggles, but their weakness is also obvious: it leaves out struggles which *were* explicitly opposing privatization from the 2002 Liao Yang Ferro-Alloy Factory struggle to the recent Tonggang Steel Mill workers' struggle. What is more is that it may lose sight of the fact that in most cases, all three types of struggles targeted the one and same group of people—the leading cadres of SOEs and their supervising government departments. This applies to "neighbourhood protests" too because in the old days, SOEs also provided most of the social services in the neighborhood, therefore privatization of the plants often also implies termination of free or accessible services in the neighborhood. Hence, what have appeared to be nonpolitical and cellular struggles in fact carried the political potential of developing into struggles against privatization itself or even against local governments—after all, it does not require much hard thinking to figure out who the main enemy is. It is for the same reason, however, that the party state must act swiftly to repress these struggles lest nationwide protests of the same kind of 1989 be triggered off once again. Similarly, this is also why when party cadres implemented privatization it has been conducted in a totally non-transparent manner, filled to the brim with intrigue, trickery, and con jobs, including the ploy not to call privatization by its real name, dressing it up as "system reform" instead and pushing this agenda a step at a time. All this was geared to undermine workers' readiness to resist. Therefore, what appears to be fragmented or what Ching Kwan Lee describes as "cellular activism" among SOEs workers is, after all, just an appearance; beyond this appearance lies the deep contradiction between the cadre class and the working class and all the political dynamics which might follow. Refusing to describe the SOE workers' struggles, or at least an important number of them, as resistance to privatization or anti-privatization struggles might not only downplay their political potential but also might lead to the temptation of taking "cellular activism" at face value, without probing into the inner contradictions of these struggles and their relation to the bureaucracy.

We also differ from Lee's optimism that "we cannot underestimate the determination and effectiveness of the Chinese regime's self-reform to establish a law-based government, after its radical self-transformation from state socialism".<sup>25</sup>

Nor can we share the enthusiasm of Zhu and Chan's 2005 prediction that SWRCs "may have room for development" in the coming few years because "China is becoming more and more a legal society." When we are writing this essay in August 2011, this bright prospect of SWRCs is still nowhere to be seen. Precisely because of this self-transformation from state socialism to capitalism it is less, not more, possible for the bureaucracy to self-reform itself into a rule of law regime, let alone implements democracy. The self-interest of the Chinese bureaucracy simply goes against this. This bureaucracy simply refuses to be content with playing the role of compliant apparatus in the service of the bourgeoisie in return for a fixed amount of salary. On the contrary, it *is* the ruling class; it is simultaneously bureaucrats *and* capitalists, and therefore it wants a fixed salary and maximized profit at the same time. All levels of bureaucrats run or own companies directly or indirectly, and profit from these. This is a system of bureaucratic capitalism. Since its very survival rests on a fusion of political and economic power, it necessarily remains hostile to the rule of law and to a situation where the working class enjoys full political and labor rights. (It is likely that the Party will increasingly "rule by law," but this is different from the rule of law, and Lee makes the distinction between the two.) However, whereas Lee suggests that there are two "possible forces of change," namely one coming from the party's own initiative for self-reform and the second one a workers movement from below, we think that the party in itself hardly constitutes a "possible force of change" in favor of labor at all, and any serious reform has to come from the pressure from a movement from below.

### **"Socialism" from above: SOEs Workers under Mao's China**

And if it is the one party regime which has undermined the SWRCs or the trade union as true workers' organs, we must add that it is really not something new, rather it has always been like this ever since 1949.

But until today, a considerable number of people think otherwise. For them, SOE workers during Mao's period were genuinely the "masters of the house," and therefore enjoyed real political power. This changed only when Deng Xiaoping came to power in 1979. This is what has been argued by Mingqi Li in his recent essay *The Rise of the Working Class and the Future of the Chinese Revolution*. "In the Maoist socialist era, the Chinese workers enjoyed a level of class power and dignity unimaginable by an average worker in a capitalist state," he said. He has not provided evidence for his statement though, other than to quote approvingly a worker's words "the workers were masters of the factory."<sup>26</sup> Another academic, Cui Zhiyuan, in an earlier essay pointed to the "Angang Constitution" to back up his case.<sup>27</sup> The Angang Constitution refers to Mao's call in 1960 during the Great Leap Forward for a new policy in the management

of state enterprises, summed up by the slogan “Participation on two fronts, one area of reform and the integration of three components.” “Participation on two fronts” refers to the measure of making cadres participate in manual labor while encouraging workers’ participation in enterprise management. The “one area of reform” refers to doing away with unreasonable rules and regulations. The “integration of three components” refers to the coming together of the working masses, leadership cadres and the technical personnel. Cui regards the measure of making cadres participate in manual labor while encouraging workers’ participation in enterprise management as a kind of economic democracy.

It is difficult to comment on Cui’s argument, because the article was too abstract and evasive. On the contrary, Xiao Duo, a Mao follower, elaborated on the subject in greater detail in his Web article “*Mao’s socialism is not bureaucratism.*”<sup>28</sup> Xiao believes that the Angang Constitution allows “the labouring masses to do away with the career officialdom and take part directly in the democratic management of society.”

The Angang Constitution has nothing to do with the “democratic management of society,” however, because it only applies at the enterprise level. In fact, it was not even a case of enterprise democracy at all. It is merely a situation where workers took part in consultative meetings within the rank-and-file production teams to offer suggestions concerning how to raise productivity even further. These meetings rarely went beyond the workshop level and reached the management level, and they rarely enjoyed the power of decision making. On this point, China falls far short even of the Yugoslav’s worker self-management regime. While the Yugoslav communist party never had the guts to extend worker self management into state power, its workers did enjoy considerable power within the enterprise, which the Angang Constitution was far short of.

If the CCP was serious about implementing enterprise democracy, the most convenient way would be to revive its own institution of the SWRC (meanwhile getting rid of the crippling clauses in the relevant laws). Yet the CCP, during the Great Leap Forward, instead of choosing this option, promoted the so called Angang Constitution. This was because from the very beginning, the intention of the Angang Constitution was less about empowering workers in controlling the management, even less about controlling the Party, but more about how to motivate workers into contributing ideas in renovating and improving production technology so as to fulfill the dream of overtaking Britain and the U.S.<sup>29</sup> This is also why the promotion of the Angang Constitution was accompanied by coercing workers to receive lower wages by abolishing piece rate wages altogether, seeing this as a kind of “economism.”<sup>30</sup> This practice repeated itself in the Cultural Revolution.

As for Mao’s idea of “cadres’ participation in labour,” this did not promote workers’ participation in management either. Since in practice, it often meant making specialists and intellectuals do manual labor—during the Cultural Revolution it often became hard labor—it only resulted in a general waste of socially useful and highly skilled labor, hence a social regression rather than progress. In fact, Mao’s idea is far from the vision of the contemporary idea of socialist

equality. His approach was closer to the vision of Xu Xing in ancient China who advocated a kind of equal society where “both the kings and their subjects (the peasants) till the land together.” The contemporary socialist movement aims to break down the social division of labor between the rulers and the ruled. This, however, is to be achieved not by making professionals and intellectuals do manual labor (voluntary work done by them is another matter). Rather, it shall be achieved first through the development of productive forces, and then through the implementation of common ownership and a full fledged democracy, and the shortening of the working week so as to allow workers the material conditions to participate in the running of society. By contrast, making professionals and intellectuals do manual labor is a kind of utopianism which echoes more what Marx criticized as “vulgar communism” than a contemporary socialist idea.<sup>31</sup> This subsequent bankruptcy in fact helped lay the grounds for the eventual restoration of capitalism.

Xiao Duo mentioned how the working class enjoyed job security and was much better off during Mao’s days than now. We are not prepared to dismiss out of hand the achievement in economic benefit for working people under Mao, as people who bitterly oppose the 1949 revolution did. But it is equally wrong to argue that Mao’s period was a golden era where workers enjoyed real power. It is true that the workers could not be fired by the management, and this placed considerable limits on the management’s power, but neither did the workers have the freedom to make personal choices concerning their careers, let alone the freedom to speak or to organize. Without this one cannot simply speak of “class power.” Under a “planned economy,” as the official theory at that time went, labor power was also supposed to be owned “collectively.” This is the theoretical basis on which the practice of planned allocation of labor among production units began, under which workers were denied the freedom to choose their occupations or the freedom to choose the particular enterprises they worked in. In the same way, they were also denied the freedom to resign from their enterprises and shift to other plants of their free will. This is what they called *tongbao tongpei* (“guarantee full employment while allocating labour in a planned way”), or *rencai danwei suoyuzhi* (“the workforce within a production unit was thought to be owned by that unit”). What was more threatening for these “masters” was that their personal files were held in the hands of the party committee and were kept secret from them. These included records of things which they might have said before, especially where they were critical of the party or cadres.<sup>32</sup> All this could be used to incriminate them in possible future political purges. All in all, workers had to behave under this system and became part of a system of personal dependence with a feudal flavor. Indeed, if workers had always been the genuine ruling class since Mao’s era, how was it possible that they were defeated and appropriated without even an open and nationwide struggle?

U.S. sociologist Andrew Walder called the enterprise management system in Mao’s days “Neo-Traditionalism.” While the appropriateness of this term is debatable, Walder is right in describing workers’ class position as one of “institutionalised dependence”—that is, “. . . economic and social dependence on the

enterprises; political dependence on the party and management; and personal dependence on [the] supervisors.”<sup>33</sup> It was less a kind of socialism but more a kind of paternalistic collectivism where, even if workers benefited in terms of economic welfare, supreme power first and foremost rested in the hands of party cadres, hence enabling them to control working people’s lives to the extent that the latter were entirely dependent on them. It was (and is) also particularly hostile to any sign of autonomous thinking and organizations from below; in this sense, the communist bureaucracy echoed the motto of all elites: “one must work for the good of the people, but the people must do nothing for themselves.”<sup>34</sup> Although during the Cultural Revolution, Mao jumped to the other extreme by appealing for rebellion from below, this did not last long either; when Mao felt that the situation was beginning to run out of control, he once again changed position and reached a compromise with the old guards and the army. The propaganda against bureaucratic privileges during the Cultural Revolution has never come through as a system or policy for equality in any sustained sense. Quite the contrary. The top leaders regained all of their bureaucratic privileges in no time. In his 1996 book, *The Deng Xiaoping Era—An Inquiry into the Fate of Chinese Socialism 1978–1994*, U.S. academic Maurice Meisner wrote that:

Mao Zedong was the creator of the Chinese Communist bureaucracy . . . The Cultural Revolution, far from curing bureaucratic evils, only aggravated the arbitrary and corrupt bureaucratic practices from which the people suffered. Individual officials were attacked and purged, but the bureaucratic system survived. Even the hierarchical order of cadre ranks, which Mao had been criticizing since the mid-1950s, remained intact. In large measure, the failure was of Mao’s own making, or, more precisely, the result of his ambivalent attitude toward the bureaucracy he had created and upon which his rule depended.<sup>35</sup>

A major blind spot, in the notion that in Mao’s China the working class were really the “masters of the house” and that this only changed after Deng took power, lies in the fact that this notion only sees the rupture between the two periods (from anti-capitalism to pro-capitalism) and not their continuity. It is the continuity of the regime of the one-party dictatorship and its repression of the workers and farmers, whom the party claims to represent, which allows the cadres to rob the workers and farmers in Deng/post-Deng period. But it is no accident that this side of the coin is often overlooked. This is because implicitly or explicitly, the one party dictatorship is seen as more of an essential element of socialism rather than its crippling factor.<sup>36</sup> Therefore, pro-Mao academics have had to look elsewhere to explain the reason for workers’ inability to mount efficient struggles against privatization, and many think they have found it. Mingqi Li seeks the reason for the workers’ defeat in the alleged “politically inexperienced working class.”<sup>37</sup> This is also echoed by Cheng Guangshen.<sup>38</sup> It seems the fact has never crossed their minds that when the Party put the working class under its permanent tutelage and forbade it to be autonomous and to learn from its own errors, it necessarily remained politically inexperienced.

### Democracy from below

Though the chapter of SOEs workers in Mao's China is over, many are still trying to draw lessons from it. In his *The Plight of China's Working Class: Annals of Anyuan*, Yu Jianrong warned workers candidly that they should not fantasize about waging any struggles to become any sort of master as rhetoric like this only serves the interest of the populist parties:

Workers are simply not a "leading class" nor should they aspire to be one. What they should fight for is their rights as workers and shoulder their responsibility as workers. From my perspective, the real interests of the contemporary Chinese workers lie in the question of defending workers' rights. . . . if we steer away from this goal, it's possible that workers will be reduced to being a new breed of political tool.<sup>39</sup>

Although not explicitly, it is implicit in his argument that workers should accept the role as wage laborers and be content with undefined "labour rights reform" within the system. The problem with this argument is that it forgets that wage labor is also a tool in itself, an economic tool in the hands of capitalists with the sole purpose to add value to their capital stock; hence workers can be dumped as broken tools if their labor can no longer serve that purpose. Surely Yu is concerned with "workers' rights," but we are not sure what this means. The fact that liberal advocacy like Charter 08 leaves out the right to free trade unions and collective bargaining altogether should justify our suspicions. In the final analysis, there is no reason to assume that capitalists necessarily behave better than communist party cadres in their treatment of workers; rather, they can be equally, if not more, stubborn in repressing any reform demand from the labor movement. This is especially so in China's case. Far from becoming the leader of a democratic movement, a once popular proposition in the late 1980s, this new entrepreneur class is as fearful of democracy and the labor movement as its patron, the Party.

If there is anything to learn from Mao's period, it is not that workers should be more practical and should be content with capitalism as the only viable system; rather, a correct understanding of the reason for the historic defeat of the working class needs to be made. The working class was defeated not because it was too high minded. On the contrary, workers were defeated precisely because most of them were too practical; as long as they could enjoy job security and a stable income, they rarely challenged the one party regime, even if this regime denied them basic civil liberties in general and the right to free association in particular, hence all their legal rights, as enshrined in the constitution and in the law, were reduced to pure formalities. Rousseau once remarked that no one could be truly free who did not govern him/herself. Yet most SOE workers did not fully understand the primacy of democracy over economic benefit; rather they allowed their perpetual dependence on the Party to do good for them. But no economic benefit is guaranteed as long as workers are denied the right to govern themselves. If workers rely on the bureaucracy to unilaterally hand down

these benefits to them, this same bureaucracy could also take these benefits back when an unfavorable change in the class relationship of forces occurred. And when this happened, the “masters of the house” simply had nothing in their hands to defend them from the attack.

With the full restoration of capitalism the Chinese working people will have to start all over again to build a labor democratic movement in the new century if they want to be free from exploitation and repression. This will not be accomplished unless they can keep the state under their democratic control.

Workers fighting for democracy is really the same thing as their striving to be the “leading class.” Under rapid industrialization, the worker population has been rising quickly at the expense of farmers to the extent that it will soon constitute half or even more than half of the population (if we define “workers,” as it should be, as wage earners and those whose wages will not allow them to accumulate capital), hence they constitute the chief class in the alliance for democracy. Apart from the “quantity” side, one must also look at the “quality” of the labor force: the youth exodus from the rural determines that increasingly rural residents are dominated by children and elderly. Therefore, the working class is a growing class while the peasants are a declining class. The working class is increasingly the main class in democratic struggles in the future because it has a stake in winning democracy *and* the potential to win it. Surely, nothing is determined in this. Either it eventually achieves democracy by taking the lead in the struggles, or it will continue to suffer in a barbaric capitalism indefinitely.

What is suffice to say now is that if the workers are, eventually, able to prove their ability to lead the democratic struggles and thus able to shape society according to their will, this is not something horrifying at all—at least not that horrifying for working people. Indeed, the original meaning of democracy is nothing but the rule by the plebeian or the poor. Aristotle was very clear over this, although he, from an elitist position, was far from being sympathetic with the idea.<sup>40</sup> In this sense, democracy is also synonymous to socialism. After all, one of the key features of socialism is precisely a complete democratization of society. Therefore, to strive to be the “leading class” is really not a too high minded thing, it is just the same old goal of labor fighting for genuine democracy, or socialism if you like. Without this perspective, in the long run, working people will not be able to keep their “bread and butter” either. The imminent destruction of welfare state in the West should be another reason for making the link between a kind of democracy where working people play the dominant role and their economic betterment.

Sadly, most Chinese liberals continue to accommodate themselves to the ruling elites’ hostility toward democracy and social movements. This negligence over workers’ fundamental rights shows that they, like many elites, see the idea of a combination of radical democracy and an autonomous workers movement as too dangerous to the status quo.

If Yu’s arguments sound convincing, it is not because his theory holds any real merit for working people. It is more because of the fact that workers have already been defeated and the resurgence of a workers’ movement looks very

distant indeed. The disturbing news for the liberals however, is that the rise of labor struggles is inevitable in the long run. While the number of SOE workers in China fell substantially, the overall body of wage laborers ballooned to nearly 400 million. China's working class population has never been this enormous. If this reversion to capitalism has anything positive about it, this is it. What is more is that the barbarian character and the barrack like factory regime are propelling workers to resist on a daily basis. So it is not at all surprising that when SOEs kept chucking workers out of their jobs en masse, a big number of migrant workers rose to strike spontaneously to resist against inhuman exploitation. To the surprise of the government, even the SOEs workers' struggles against privatization have not died out. The July 2009 Tonghua Steel workers' violent occupation of their plant to resist privatization ended in a victory which proved that SOE workers' power, although weakened, can still be powerful enough to make the party state afraid.

We have no idea how the combination of struggle for economic betterment and the struggle for democracy can be achieved, and we acknowledge that the outlook is not very optimistic for the moment. Instead of envisaging a savior rising from nowhere and showing the road map to worker activists, we believe that eventually it will be decided by the fighting workers themselves. After all, it is social movements which bring about democracy. And if the trade union movement has merit it is not just because it can raise wages but also because it represents an aspiration, of human beings, to be free from exploitation and to take control, no matter how elementary, of the conditions of work.

For the moment, it is our duty to draw a correct balance sheet from the rise and fall of the older generation of SOEs workers.

**Au Loong Yu** is editorial board member of the China Labor Net. He was one of the founding members of Globalization Monitor, Hong Kong, and was its labor researcher until 2007. He is the main author of the book *No Choice but to Fight: A Documentation of Chinese Battery Women Workers' Struggle for Health and Dignity* (Hong Kong: Globalization Monitor), and is currently working on the oral history of State Owned Enterprise workers. He has also written for various progressive or labor journals in US and Europe. Email: auloongyu@hotmail.com.

### Acknowledgment

The first draft of this essay was translated by Eva Tao from the original Chinese draft, and the author wishes to thank her here. The present version is a heavily rewritten version and was proofread by Rachel Page, whom the author would like to thank as well.

### Notes

1. We have no space to discuss Collectively Owned Enterprise (COE) workers here, and due to the fact that their working conditions and mentality may be different from SOE workers, it is difficult to say to what degree the explanation here might act as a reference point for analysis of these workers.

2. *Exit the Dragon? Privatization and State Control in China*, Ed. S. Green and G. S. Liu (Chatham House, 2005), 18.
3. *Tigao laodong baochou, zhuoli chuci fenpei* (Raise the reward of labour, work hard on the preliminary [social] redistribution), Wang Lianli, Hong Kong Faxes, Political and Economic Research Department of the CITIC group, December 12, 2007.
4. "In the June of this year, the Vice Chairman of the CCP Li Xiannian said that if Beijing did not reform the economy, they too would face a Polish style crisis." Ming Pao, December 11, 1981, Hong Kong. Translation by author. For the link between the Polish event and the Party's position on SWRCs, see footnote 14 of Jiang Kevin, "*Gonghui yu dang-guo de chongtu* (The Conflict between Trade Unions and the Party State)," *Hong Kong Journal of Social Sciences*, No. 8 (Autumn 1996): 85–158.
5. Jiang Kevin, "*Gonghui yu dang-guo de chongtu* (The Conflict between Trade Unions and the Party State)," *Hong Kong Journal of Social Sciences*, No. 8 (Autumn 1996): 85–158.
6. *Whither China's Industrial System and with What Implications for Labour? Labour History*, October 2006.
7. "*Qiye yingdui tiaozhan de liqi—wugang qianghua zhidaihui zhidu tuijin changwu gongkai jishi* (The weapon with which enterprises face their challenges—Report on how Wuhan Iron and Steel strengthen its Workers' Representative Congress mechanism so as to promote transparency of the running of the enterprise)," *Worker Daily* (June 10, 2005), <http://www.sasac.gov.cn/n1180/n1271/n3420181/n3420283/3445501.html>.
8. Jiang Kevin, "*Gonghui yu dang-guo de chongtu* (The Conflict between Trade Unions and the Party State)," *Hong Kong Journal of Social Sciences*, No. 8 (Autumn 1996): 85–158.
9. Xiaoyang Zhu and Chan Anita, "Staff and Workers' Representative Congress, An Institutionalized Channel for Expression of Employees' Interests?" *Chinese Sociology and Anthropology* Volume 37, No. 4 (Summer 2005): 6–33.
10. "*Zhidaihui weishenme meiyong* (Why are SWRCs useless?)" *Dong Fang Daily* (August 17, 2009), <http://www.wyzxsx.com/Article/Class22/200908/99535.html>.
11. Xiaoyang Zhu and Chan Anita, "Staff and Workers' Representative Congress, An Institutionalized Channel for Expression of Employees' Interests?" *Chinese Sociology and Anthropology* Volume 37, No. 4 (Summer 2005): 6–33.
12. "*Zhidaihui weishenme meiyong* (Why are SWRCs useless?)" *Dong Fang Daily* (August 17, 2009), <http://www.wyzxsx.com/Article/Class22/200908/99535.html>.
13. *Zhonghua quanguo zonggonghui qishinian* (The Seventy Years of ACFTU), ed. the ACFTU (Beijing: Chinese Workers Press, 1995), 404–5.
14. This supposed central task of the ACFTU is still explicitly stipulated in the currently effective 1992 Trade Union Law, article four.
15. *Zhonghua quanguo zonggonghui qishinian* (The Seventy Years of ACFTU), ed. ACFTU (Beijing: Chinese Workers Press, 1995), chapter eight.
16. *Shui lai zuozhu—dangdai zhongguo de qiye juece* (Who is in charge: the contemporary enterprise policy in China), ed. W. F. Tang (Hong Kong: Oxford University Press, 1996), 88–89.
17. *The Crisis in Asia: Over-Dependence on International Trade or Reflection of "A Labor Repression-Led Growth Regime"?* Bruno Jetin, October 2009, paper presented to the International Seminar on the Economic Crisis, Amsterdam.
18. "*Zhidaihui weishenme meiyong* (Why are SWRCs useless?)" *Dong Fang Daily* (August 17, 2009), <http://www.wyzxsx.com/Article/Class22/200908/99535.html>.
19. Xiaoyang Zhu and Chan Anita, "Staff and Workers' Representative Congress, An Institutionalized Channel for Expression of Employees' Interests?" *Chinese Sociology and Anthropology* Volume 37, No. 4 (Summer 2005): 6–33.
20. The workers at the Zheng Zhou Paper Manufacturing Enterprise had for a while succeeded in holding back the privatization of their plant by organizing through the SWRC. But overwhelmed by debt, the enterprise was propped up in the end by the injection of private capital. Stephen Philion has discussed this case in an article, in which he holds the view that the SWRC leadership's acceptance of private capital means it turned its back on the original aspiration in banking on workers' democracy, and believes this change of tack could have led to the struggle's demise. See S. Philion, "Democracy vs. Privatization in China," *Socialism and Democracy* Volume 21, No. 2 (July 2007): 37–56.

21. Although China is now securely on the track of capitalist accumulation, the practice of fabricating news reports for propaganda sake has never ceased despite the media nowadays being a bit more open in reporting bad news. Even in Guangdong where the media is considered less obedient to the Party's propaganda department in Beijing, and therefore much hated by the nationalists like the *Utopia* Website, the media still fabricates news reports in order to provide propaganda for the Party. For instance the Hong Kong Ming Pao reported on how the Shen Zhen Commerce Daily created fake news concerning how a policeman remained on duty to guard the 26th Universiade games despite his son's death. See Ming Pao (August 15, 2011).
22. *Woguo zhongchangqi shiye wenti yanjiu* (Study on China's Unemployment in the Long and Medium Term), ed. J. Xuan (Beijing: China People's University Press, 2004), 181.
23. *Against the Law—Labor Protests in China's Rustbelt and Sunbelt*, ed. C. K. Lee (Berkeley: University of California Press, 2007), 26 and 22.
24. *Ibid.*, 71.
25. *Ibid.*, 242.
26. Monthly Review, June 2011.
27. *Angang xianfa yu boufutezbuyi* (Angang Constitution and Fordism), collected in *Di Er Ci Si Xiang Jie Feng Yu Zhi Du Chuang Xin* (The second round of thoughts liberation and system renewal), ed. Z. Y. Cui (Hong Kong: Oxford University Press, 1997), 143–56. (Translator's note: The Angang Constitution refers to a 1960 policy decree by Mao where he called for various reforms for democratize enterprise management. Two such measures were cadres' participation in labor and workers' participation in enterprise management.)
28. It was first published in <http://www.gongnongbbs.net.tf> but has since been taken down. It is now available on the "Pioneer" Web page at <http://www.xinmiao.com.hk/0000/6609T.htm>
29. In fact, the very title of the document written by the Anshan city party committee reporting to Beijing on the Anshan Steel Mill's reform plan during the Great Leap Forward—and on which Mao wrote his famous remark—was about how to promote a technological innovation there.
30. According to Maoist doctrine, workers' enthusiasm for increasing production should flow from political consciousness rather than from economic benefits incentives, such as the raising of wages. The reliance on material incentives was considered "economism." In 1957, the number of workers paid piece rate wages accounted for 42 percent of workers in SOEs. In 1960 this dropped to less than 5 percent. It rose back to 19.9 percent in 1963, but in 1966 piece wages were banned altogether. *Zhongguo jingji nianjian 1981* (Annual Economic Report of China 1981), ed. Editorial Board of Annual Economic Report of China (Beijing Economic Management Journal Press, 1981), Overseas edition, Hong Kong, IV-180–1.
31. It is for this reason that Marx never envisaged that socialism could be realized in a backward country.
32. The cadres were also subject to the regime of personal files, but the fact that it was the cadres class who kept and recorded these confidential files of workers once again shows who the real masters in Mao's period were. See *Zhongguo dangdai shebui ge jiecheng fenxi* (An Analysis on China Contemporary Social Stratification), ed. J. C. Yang (Lanzhou City: Gansu People's Press, 2006), Gansu, 21.
33. *Communist Neo-Traditionalism*, ed. A. Walder (Berkeley: Oxford University Press, 1996), 12–3.
34. *Democracy and Revolution*, ed. George Novack (New York: Pathfinder Press, 1971), 73.
35. *The Deng Xiaoping Era—An Inquiry into the Fate of Chinese Socialism 1978–1994*, ed. M. Meisner (New York: Hill and Wang, 1996), 176.
36. Xiao Duo is explicit on this point.
37. Monthly Review, June 2011.
38. *Zhongguo gongren jieji de xingqi yu zhongguo geming de qiantu* (The Rise of Working Class and the Future of Chinese Revolution), Cheng Guangshen, spring 2011, second section. Pamphlet published by associates of the China Labor Research Web, although the pamphlet does not carry the name of the publisher.
39. J. Yu, *Zhongguo gongren jieji zhuangkuang—Anyuan shilu* (The Plight of China's Working Class: Annals of Anyuan) (Hong Kong: Mirror Books, 2006), 471.
40. "Whenever men rule by virtue of their wealth, be they few or many, there you have oligarchy; and where the poor rule, there you have democracy," he said. Quoted in *Democracy*, ed. A. Arblaster (Minneapolis: University of Minnesota Press, 1994), 14–5.

## References

- ACFTU. 2012. *Zhonghua quanguo zonggonghui qishinian*, (*The Seventy Years of ACFTU*). Beijing: Chinese Workers Press.
- Arblaster, A. 1994. *Democracy*. Minneapolis: University of Minnesota Press.
- Cheng, G. S. Spring 2011. *Zhongguo gongren jieji de xingqi yu zhongguo geming de qiantu* (*The Rise of Working Class and the Future of Chinese Revolution*). 2nd ed. China Labor Research Web.
- Cui, Z. Y. 1997. *Angang xianfa yu boufutezhuyi* (*Angang Constitution and Fordism*), collected in *Di Er Ci Si Xiang Jie Feng Yu Zhi Du Chuang Xin* (*The second round of thoughts liberation and system renewal*). Hong Kong: Oxford University Press.
- Fu, W. G. August 17, 2009. *Zhidaibui weisbenme meiyong* (Why are SWRCs useless?) Dong Fang Daily. <http://www.wyxxs.com/Article/Class22/200908/99535.html> (accessed October 25, 2011).
- Green, S., and S. L. Guy. 2005. *Exit the dragon? Privatization and state control in China*. London: Chatham House.
- Jetin, B. 2009. *The Crisis in Asia: Over-Dependence on International Trade or Reflection of "A Labor Repression-Led Growth Regime?"* Bruno Jetin, October. Paper presented to the International Seminar on the Economic Crisis, Amsterdam.
- Jiang, K. 1996. *Gonghui yu dang-guo de chongtu* (The Conflict between Trade Unions and the Party State). *Hong Kong Journal of Social Sciences* (8):85–158, autumn.
- Jiang, X. 2004. *Woguo zhongchangqi shiye wenti yanjiu* (*Study on China's Unemployment in the Long and Medium Term*). Beijing: China People's University Press.
- June 10, 2005. *Qiye yingdai tiaozhan de liqi—wugang qianghua zhidaibui zhidu tuijin changwu gongkai jishi* (The weapon with which enterprises face their challenges—Report on how Wuhan Iron and Steel strengthen its Workers' Representative Congress mechanism so as to promote transparency of the running of the enterprise), Worker Daily. <http://www.sasac.gov.cn/n1180/n1271/n3420181/n3420283/3445501.html> (accessed October 25, 2011).
- Lee, C. K. 2007. *Against the law—Labor protests in China's rustbelt and sunbelt*. Berkeley: University of California Press.
- Li, M. Q. 2011. The rise of the working class and the future of the Chinese revolution. *Monthly Review* June, 63 (2):38–51.
- Meisner, M. 1996. *The Deng Xiaoping era: An inquiry into the fate of Chinese socialism, 1978–1994*. New York: Hill and Wang.
- Novack, G. 1971. *Democracy and revolution*. New York: Pathfinder Press.
- Phillion, S. 2007. Workers democracy vs. privatization in China. *Socialism and Democracy* 21 (2):37–56, July.
- Tang, W. F. 1996. *Shui lai zuozhu? zhongguo dangdai qiye juece—Who should rule? Enterprise decision making in Contemporary China*. Hong Kong: Oxford University Press.
- Waldner, A. 1996. *Communist neo-traditionalism*. Beijing: Oxford University Press.
- Wang, L. L. 2007. *Tigao laodong baochou, zhuoli cbuci fenpei* (Raise the reward of labour, work hard on the preliminary [social] redistribution). Hong Kong Faxes, Political and Economic Research Department of the CITIC group, December 12.
- Yang, J. C. 2006. *Zhongguo dangdai shehui ge jiecen fenxi* (*An Analysis on China Contemporary Social Stratification*). Gansu: Gansu People's Press.
- Yu, J. R. 2006. *Zhongguo gongren jieji zhuangkuang—Anyuan shilu* (*The Plight of China's Working Class: Annals of Anyuan*). Hong Kong: Mirror Books.
- Zhongguo jingji nianjian 1981*. 1981. (Annual Economic Report of China 1981), Beijing Economic Management Journal Press. Hong Kong: Editorial Board of Annual Economic Report of China.
- Zhu, X. Y., and A. Chan. 2005. Staff and workers' representative congress, an institutionalized channel for expression of employees' interests? *Chinese Sociology and Anthropology* 37 (4):6–33, summer.