Socio-political control in urban China: changes and crisis*

ABSTRACT

This paper examines urban China’s socio-political control crisis under the impact of economic reforms as an epitome of a more general social crisis. The traditional urban institutional form of socio-political control in the People’s Republic of China (PRC), the work unit form of control, is a variant of age-old forms. The latter’s reproduction in variant form in the former was premised upon the fact that the PRC’s industrialization was carried out by a peasant-based party creating a new working class of rural migrants engaged in non-market production and exchange. The persistence of non-market economic relations ensured this form of control’s continued reproduction. Post-1978 market-oriented reforms have undermined this form. As the emergence of new forms has been slow, a socio-political control crisis has arisen, at a time when millions of urban employees are being thrown out of work. In dealing with the crisis, the official trade union, an organic constituent institution of the work unit form of control, plays a prominent part, in being given the tasks of sustaining this decaying form, and preventing and defusing potential social explosion. Yet, the very economic reform programme that has undermined the work unit form of control, is also gravely weakening the union.

KEYWORDS: China; socio-political control; labour; trade unions; work unit

One area of concern in Western studies of state-socialist societies is that of socio-political control.1 While the Eastern bloc has fallen, China appears to be going from strength to strength under market-oriented reforms. Various aspects of the changing face of Chinese society under reform have been subject to scholarly scrutiny, but the issue of control remains insufficiently analysed.

The best known model pertaining to state-socialist control is the totalitarian model (Friedrich and Brzezinski 1965), in which control is attained by a single party through ideological indoctrination and the systematic use of terror against an atomized and subjugated population. Atomization is emphasized by Kornhauser (1959: 32), while Bottomore (1966: 42) sees...
state-socialist rule as approaching the ‘pure type of a “power elite” . . . being an organized minority confronting the unorganized majority’. Tsou (1986) applies the model to China on the criterion of the penetration of state power into other spheres of social life.

Whatever the merits of the totalitarian model in relation to Cold War period Eastern bloc countries, many scholars soon found it wanting in relation to China. Not only is there no Cheka-like secret police, even when terror as a form of control was used in the 1950s, it was directed not against a hypothetically recalcitrant population in general, but only selected sectors in the specific conjunctural campaigns to suppress counter-revolutionaries, remould intellectuals, etc. Since then, terror has not been systematically used again. Most importantly, the population, instead of being atomized, was organized into collectivities in which ‘small group pressures’ and ‘persuasive techniques’ were used (Teiwes 1971: 14 and 16, cited in Cell 1977: 10).

In this paper, we examine the main form of control in urban China that arose upon the founding of the People’s Republic of China (PRC). It is argued that as a result of factors such as the peasant origins of the newly created working class, age-old control mechanisms, which combined mutual-aid and welfare functions of a closely-knit collectivity with repressive-ideological ones, were firstly reproduced in variant form and subsequently sustained in a new institutional framework known as the work unit (danwei, hereinafter unit) acting as a substitute collectivity in urban areas.

A major factor in the reproduction of the unit form of control is the non-market nature of the PRC’s industrialization. Since 1979, China’s market-oriented reforms have progressed rapidly, thereby seriously undermining the unit form of control. In the classical sociology literature, much concern is focused on the issue of social solidarity (Durkheim 1933 [1902]) in industrial society as the traditional type of solidarity based upon ‘common ideas and sentiments’ withered away. This paper argues that the transition ‘from Status to Contract’ (Maine 1996 [1861]), gemeinschaft to gesellschaft (Tonnies 1955 [1887]), or mechanical to organic solidarity (Durkheim) is not so much between pre-industrial and industrial societies per se, but between societies based upon non-market and market economic relations. Seen in this light, the unit form of control’s breakdown in consequence to the progress of market-oriented reforms has put urban Chinese society in a situation analogous to the transition discussed by Durkheim et al. Due to the highly compressed nature of China’s transition from non-market to market economic relations, the above breakdown has far outstripped the emergence of forms of control such as those based upon law, individualism, new morality, and new institutions and processes for social and political integration. At this point in our analysis, urban labour in one type of units (economic units) is chosen as an illustrative case. The conclusions drawn are none the less applicable, to varying degrees, to other types of units. In relation to economic unit employees, a further complication is that millions of them are now being thrown out of work. A situation has
thus arisen in which millions of unemployed workers exist in some sort of
control vacuum. Being highly conscious of this, the regime relies heavily on
the official trade union, an organic constituent institution of the unit
form of control, to bridge the gap between its breakdown and the slow
emergence of new forms of control, by giving it the tasks of sustaining the
decaying unit form of control, and preventing and defusing labour unrest.
Yet, the very economic reform programme that has undermined the unit
form of control is also gravely weakening the union. Finally, the present
study suggests that China is in the middle of a more general social crisis on
which fruitful research can be conducted.

Research for this paper is based upon previous scholarship, document-
ary data, reports in mainland Chinese and Hong Kong publications, and
interviews with 12 unionists and discussions with 5 government/Party
cadres and scholars in several cities held in 1998–99.

1. THE TRADITIONAL FORM OF URBAN SOCIO-POLITICAL CONTROL IN THE
PRC

How to penetrate the rural grassroots for extractive (taxation) and
social/socio-political control purposes, was a problem faced by China’s
imperial state throughout history. The mechanism devised was what we
shall, for convenience, refer generically to as the household registration
system (HRS), unless the context calls for specification. The official state
extended down to the county level only. The HRS was a sub-administra-
tive structure run by unpaid local inhabitants. In the Qing dynasty
(1644–1911), the *lijia* (for taxation) and the *baojia* (for control) systems
were originally established (Hsiao 1972 [1960]). The *lijia* subsequently
merged into the *baojia*. Additionally, there was the *xiangyue* (village pact).
It was initially meant in the eleventh century as a voluntary village associ-
ation for mutual aid, maintenance of collective morality and social order,
etc. Under the Qing, it referred to a position responsible for propagating
imperial Confucianism and official edicts, and recording good and evil
deeds of local inhabitants. It also subsequently merged into the *baojia*.
The *baojia* did not function well and disintegrated during the nineteenth
century. Since the mid-eighteenth century, county magistrates had sup-
plemented it with rural agents. Besides the above, local granaries for
famine relief were established, funded partly by the state and partly by
private donors. The granary system also decayed in tandem with the
*baojia*.

Local inhabitants assuming HRS leadership were not among the village’s
indigenous elites. Where they were strong, descent groups dominated the
village, elsewhere, they still often figured prominently in village affairs.
Where social differentiation was more marked, prosperous landowners
attained leadership, through *zu* organizations or otherwise, by means of
various forms of patronage (e.g. donating *zu* corporate property, financing
village temples). The gentry (themselves mostly landowners) were universally influential, both within and outside the zu. In short, the highly correlated factors of wealth and social status formed the basis of indigenous leadership, institutionalized through zu organizations or otherwise.

The zu exercised, with the state’s explicit or implicit endorsement, wide-ranging judicial powers over its members, from monitoring morality, dispute arbitration to dealing with crime. Only cases which it found incapable of handling were referred to the state. Where descent groups were weak, village affairs were often handled by (lay) religious leaders and the ‘village temple was also seen as the ultimate authority in the dispensation of justice’ (Duara 1988: 138). In all cases, control was based upon the collectivistic principles of joint-responsibility and mutual surveillance. The zu also performed ideological (e.g. propagating Confucian ethics) and mutual-aid and welfare (MAW) functions (famine relief, common ritual activities, credit, education, etc.) financed by its corporate property.5 Even where descent groups were weak, indigenous elites performed similar functions. It can be seen that the repressive-ideological and MAW functions constituted both sides of the same control coin in the sense that the MAW functions served to tie the ordinary peasant/tenant farmer6 to a hierarchical set of social relations precisely by making them dependent on these relations for mutual-aid and welfare needs.7

The separation of HRS and indigenous leaderships should not be overstated. Indigenous elites avoided assuming HRS leadership, leaving it to local inhabitants of lower social background or even ‘local bullies’ interested only in tax-farming. None the less, the local gentry often sponsored the xiangyue materially and, in times of social instability, lent support to the baojia. They also collaborated widely with the magistrate’s rural agents in a form of tax farming known as baolan (Hsiao 1972 [1960]: 69–72, 124–39, 194). Even where indigenous elites took up ‘protective brokerage’ (Duara) against predatory rural agents, as wealthy landowners, they benefited most from it (cf. Duara 1988: 52 note), while it also enhanced their status as patrons.

In sum, indigenous elites exercised control by means of a combination of repressive-ideological and MAW functions. The state wanted to establish the HRS for both extractive and control purposes, with the latter performed by means of a similar combination (though the welfare provided was minimal). Sometimes, it had the support of indigenous elites. Where such support was lacking, the HRS failed to penetrate the rural grassroots.

In urban areas, native-place associations, clan/family clubs, occupational groupings, and underworld societies (formed along native-place divisions [Perry 1993]) were the institutional means through which the same collectivistic ethos was maintained, and by means of which elites exercised the same control functions. The local magistrate sought the elites’ assistance to perform his control duties. In the 1920s, the Nationalist government adopted Western forms of policing. During the Japanese occupation, the baojia was introduced, which the Nationalist government maintained after
Japan’s defeat. Upon the PRC’s founding, the Chinese Communist Party (hereinafter CCP or Party with a capitalized ‘P’) abolished the baojia. The function of household registration was taken over by the police, while the unit and residents’ committee (RC) systems were established (Schurmann 1971: 365–71).

The unit is the generic name for all publicly-owned employing establishments. Under the planned economy, the state assigned jobs for all urban residents to different units. Most employees remained in the same unit until retirement. Before recent changes, retirees’ children were entitled to take up their parents’ jobs. Most units constructed housing, nurseries and schools, clinics and hospitals, recreational facilities, etc. for their employees at heavily-subsidized rates. Other welfare benefits such as price and transport subsidies were also provided by the unit or distributed through it. The unit keeps dossiers, with entries such as political attitudes and lifestyle ethics, on every employee which forms a permanent record from schooling to death. The unit’s certification is still required today for residential household registration, outside travel, etc. (Li and Wang 1996: 75; Shaw 1996: 22, 55, 66–7, 173; Lu and Perry 1997: 10; Naughton 1997: 178, 183, 193 n 24; Wen Wei Po [Hong Kong] 30 Oct 99).

Large units set up RCs to administer the neighbourhood of their employees’ families. Nominally elected, RC members, mostly retirees and housewives, are hand-picked by the unit leader. The RC’s functions range widely: taking care of children, the elderly and the needy; sanitation; implementing rules and directives of the higher authority; certifying the marital status of those wanting to get married; dispute mediation; patrolling the neighbourhood and aiding the police; ideological propagation; moral policing; etc. The same combination of repressive-ideological and MAW functions performed by the unit-RC as performed by past indigenous elites is obvious. Like villagers of old, one’s neighbours are also one’s work mates. The unit leader can intervene in members’ private lives at any time. Moral transgressions are subject to public criticism within the unit. Hence, units are often referred to as ‘villages within a city’. ‘Loving your work unit as your family’ and ‘treat your fellow workers as brothers’ are inscribed in the official ethical code. Just as people in traditional China greeted each other by asking ‘what is your native village?’, post-1949 urbanites ask ‘what is your work unit?’ (Stacey 1983: 229–31; Shaw 1996: 23, 56, 61ff, 129–30 and passim; Li and Wang 1996: 67, 75–83, 97 and passim). In short, whereas the unit-RC is a new, urban institution, it constitutes a post-1949 substitute collectivity that is in many ways analogous to, though not the same as, the village of old. Similarly, its MAW functions serve to tie employees to the unit’s hierarchical social relations precisely by creating lifelong personal dependence on and submission to them. A similar system operates where the neighbourhood is not comprised of residents from the same unit. RCs are established under the official Street Committee (which runs a Street Office) and the local police station. A residents’ pact (jiekui minyue) is drawn up by the RC, recalling the original village pact of old (Sun 1983).
In enterprises, the trade union sometimes acts as the RC (Shaw 1996: 57). Even where this is not so, many unit-financed benefits are administered by it. Unions run schools, sanatoria, orphanages, etc., mediate disputes, and operate mutual-aid funds (Kallgren 1969: 545, 565; Fletcher 1974: 24–5; Nie Zhifu 1983; Lee 1986: 50). The following are but a few of the examples of MAW functions performed by unions this author learned of from unionist interviewees. A worker and his spouse died in an accident, leaving a 70-year-old father and a 10-year-old child without anyone to take care of them. The father had a stepson rusticated in Shaanxi since the 1960s. The union secured household registration for the stepson to return to look after the child and the father. In one municipal district, the local union has organized 122 volunteer servicing teams to help out needy retirees. Small wonder why, like the unit, the union is regarded as the ‘family of employees’ (zhigong zhijia). ‘[W]hen someone falls ill . . . the union pays a visit, it’s “visit by one of us [zijiren], visit by others in the same family [zijiaren]”’.

At this point, it is appropriate to examine the nature and role of the ACFTU which is of relevance below. In relation to the union’s welfare functions, Western scholarship usually focuses on aspects such as unit housing allocation, while mutual-aid aspects such as those concerning problem resolution mentioned above are often overlooked. Most important is a conceptual failure to understand that the union performs its MAW functions as an organic part of the unit-RC setup in the latter’s overall control role. On the contrary, the tradition has been to conceptualize the ACFTU in terms of the Leninist dualist model. Lenin argued that unions in a transitional socialist society perform various functions including a production function (production propaganda, labour discipline) on the one hand, and a protection function (defending workers even against the workers’ employer-state) on the other. The protection function is meant in an ‘adversarial’ sense. In applying the ‘adversarial’ protection function to the ACFTU, recent scholarship (Chan 1993; White 1996; Howell 1997) sees the union as becoming a ‘corporatist’ ‘workers’ advocate’ confronting the Party/state. We regard this argument as fundamentally misconceived, but constraints on space prevent us from pursuing a detailed critique in the present paper.

A couple of schematic points can, however, be made to support our view. While both the Party and the ACFTU adopt the received communist terminology and speak, for instance, of ‘transmission belt’ and ‘protection function’, do they mean the latter in Lenin’s original ‘adversarial’ sense? Our analysis above of the unit-RC-union form of control casts doubt on this. The matter can be further considered from another angle. In the PRC, all cadres come from the same stock of cadres under the same unified administrative ranking scale. They are deployed by the Party’s nomenklatura to different ‘systems’ such as the Party, administrative (management in enterprises) and ‘mass organizations’ (unions, etc.) systems. Redeployment within the same system or across different systems occurs regularly,
while most cadres are Party members. Hence, in our view, all cadres should be conceptualized as state cadres.\textsuperscript{11} Their common position as state cadres engenders a common identification with the state \textit{vis-à-vis} the rest of the population. The upshot of this in relation to the union is that its first fidelity is to the state, though its assigned ‘constituency’ comprises employees. It sees its own role as to deal with its assigned ‘constituency’ in its capacity as a member of the state, instead of seeing itself as representing the workers confronting the employer-state. This conclusion is not drawn hypothetically on the basis of the above theoretical analysis. On the contrary, the order of exposition is the reverse of the order of discovery. It is what we had learned about the actual practices of unionists, both from in-depth interviews and wide-ranging documentary evidence,\textsuperscript{12} that led us to the issue of how to conceptualize these practices from a theoretical point of view. Furthermore, the union’s institutional position is subordinate to the Party and the administration. It is not only under the Party’s \textit{nomenklatura}, but also under its operational supervision.

Returning to the unit-RC-union form of control, what accounts for its modified reproduction of age-old forms? Walder (1986) regards the resulting type of authority as historically new, modern and generically communist. The existing literature does not support the ‘generic communist’ view (Strauss 1997; Sil 1997), whereas the above shows that it is not new. Nor, as we will argue below, is it modern. In contrast to Walder, Dutton (1992) and Li and Wang (1996), noting the unit’s roots in the past, explicitly or implicitly regard its practices as a cultural legacy.

Since 1927, the CCP’s power base switched to the countryside. Until the late 1950s, its social composition became overwhelmingly peasant in origins (Schurmann 1971: 129–39). In the 1930s–1940s, CCP army units and other non-military agencies engaged in self-reliant economic production, in which these entities adopted many proto-unit practices (Lu 1997). It should be noted that whereas the peasants were under the leadership of a party with a programme of modern communism (originally adopted in the early 1920s by urban intellectuals), they remained as peasants engaged in traditional economic activities.

Before 1949, the small population of urban workers were recent rural migrants, many of whom constantly shuttled back to their native villages (Perry 1993). In the early 1950s, the CCP launched an industrialization drive. In the process, a working class composed largely of post-1949 rural migrants was created \textit{ex nihilo} in the public sector (Walder 1984). Between 1949 and 1958, upon the close of the first five-year plan, the number of industrial workers increased from 3 to 25 million (Fletcher 1974: 21, 35). If rural traditions remained strong even among the small core of pre-1949 artisans (Perry 1993), less needs be said about the post-1949 migrants.

It is generally agreed that the term ‘modern’ is associated, \textit{inter alia}, with the concept of the individual. Thus, Durkheim (1933 [1902], cited in Lukes 1985 [1973]: 152, 156) argues that in the mechanical solidarity of ‘segmental society’, ‘the individual \textit{conscience} is scarcely distinguishable
from the *conscience collective*, whereas in the organic solidarity of ‘organized society’ ‘the individual becomes the object of a sort of religion . . . a cult’. The classical sociology literature equates the modern with a modern division of labour and industrial society. If that is the case, even if one is not a determinist, why the individualized subject form has not emerged in the PRC after several decades of rapid industrialization is worth pondering about. It may, of course, be possible to attribute that to a variety of reasons (e.g. by taking a strong cultural reductionist view). But in this author’s view, bearing in mind that the philosophy of ‘possessive individualism’ of Hobbes, Locke and others emerged against the background of the rise of market society (Macpherson 1962), the clue to the above question may be found in the fact that the PRC’s industrialization was of a non-market nature. As mentioned, in the PRC’s industrialization based upon economic planning, workers were allocated lifelong work in the same unit while their mutual-aid and welfare needs were taken care of by the unit. Thus, whereas the unit, unlike the village of old, was not economically self-sufficient, like the village of old, the economic relations obtaining within it were non-market relations. Combined with the peasant origins of the newly-created working class, the failure of the individualized subject form to emerge becomes comprehensible.

To sum up, the CCP established the unit form of control, but not as though in the manner of implementing a sovereign edict. This can be clearly seen by noting that the emergence of proto-unit practices in the 1930s occurred at a time when CCP organizational entities were fighting for survival instead of engaging in state building. During that time, CCP cadres were comparable to indigenous rural elites of old in the sense that the peasants voluntarily came under their leadership. As both leaders and followers were steeped in the collectivistic form of control of the indigenous rural grassroots, its modified reproduction in the above proto-unit practices seems perfectly natural. Likewise, the proneness of the peasant-based CCP to devise, as state builders, a collectivistic form of control after 1949 is understandable. Such a form is not inimical to their role as state builders either, for by means of the HRS, Chinese rulers in the past had always wanted, though often in vain, to make it function effectively as such a form. At the same time, peasants-turned-workers were amenable to such a form, though this was now state-initiated instead of arising indigenously. The unit’s favourable welfare (much more generous than the HRS’s) in comparison to what the peasants got probably compensated for this difference. Further, both in the 1930s–1940s and after 1949, the non-market nature of economic relations did not provide the basis for the emergence of the individualized subject form that might undermine the unit form of control. From this angle, it was the continuation of non-market economic relations that ensured the continued reproduction of this form after the social composition of both the Party and the working class had changed.

Hence, the setting up with Soviet aid of modern factories based upon a
modern division of labour, did not provide the basis for an overall development into the modern. The unit form of control is based upon the collectivized subject form. In this sense, it is not a modern form of control. But neither is it a purely ancient form. The unit is only a substitute collectivity. Unlike many villages of old, descent groups play no part in it, and unlike the pre-1949 factories, workers of the same unit do not come from the same native place (Perry 1993). For some units, the substitute collectivity is only workplace-based and not also residence-based. Further, unit leaders (management, Party and union) are non-indigenous state cadres. RC members are like HRS leaders of the past: while chosen from the unit’s ‘local inhabitants’, their subordination to the unit leadership voids their indigenous credentials. The imperial state was unable to base the HRS upon the village’s indigenous leadership. The CCP has overcome this failure and bridged the gap between state-initiated and indigenous control, if only by means of eliminating the emergence of indigenous leaders in the unit. Because of these and other differences, the unit form of control is only a variant form, and not a straightforward reproduction, of a combination of the HRS and past indigenous forms. As a result, it requires a substitute ethical base. Thus, while the ‘family of employees’ is materially grounded upon the unit’s institutionalized MAW practices with its leadership playing a paternalistic role, it is ethicalized partly in political terms: moral policing is infused with politics, and the ‘family of employees’ is described as part and parcel of the socialist ‘family’ of the entire nation.

2. THE EFFECTS OF POST-1978 ECONOMIC REFORMS ON THE UNIT

As noted, in the past, SOEs provided permanent employment for workers allocated to them with stable income and virtually nil labour mobility, while mutual aid and welfare were provided by the unit or distributed through it. Reforms have radically changed all that. Since the 1980s, wages have become productivity-tied. By 1997, labour contracts first introduced in 1986 had entirely replaced permanent employment. State allocation of jobs has ended except for a minority of university graduates and demobilized soldiers. Labour rationalization since 1987 has made millions redundant, though they are not officially classified as unemployed (for they remain nominally part of the establishment of their enterprises). Together with workers officially classified as unemployed, over 10 per cent of the urban manual labour force are now jobless (Lau 1997). State workers’ labour mobility rate increased from virtually zero in 1978 to 3.2 per cent in 1994 (Naughton 1997). SOEs have been stripped of many welfare functions by the almost complete marketization of product markets and the abolition of rationing. Other important welfare benefits are now also being dissociated from SOEs. Government operated pension funds, to which both enterprise and worker contribute, have been established to take over pension responsibilities from SOEs. By 1997, these funds cover 78 per cent
of serving and 95 percent of retired SOE employees (Huchet 1996; Wen Wei Po [Hong Kong] 23 Dec 94, 9 Oct 97; Renmin ribao [overseas edition] 4 Oct 97). Medical insurance is also developing in the same direction, though at a slower pace (Wen Wei Po [Hong Kong] 22 June 97, 22 Sept 98). Unit allocation of accommodation has ceased for new employees. Employees are asked to purchase their allocated housing through credit from government operated funds, though progress has been minimal (Bien et al. 1997; Mingbao [Hong Kong] 5 Nov 98).

3. THE CHANGING FACE AND CRISIS OF SOCIO-POLITICAL CONTROL

It has previously been proposed that the emergence of the individualized subject form is not so much associated with a modern division of labour and industrialization per se, as with the rise of market economic relations. In fact, the kind of economic relations that the classical sociology literature regards as pre-modern are precisely non-market relations. As this literature points out, pre-modern social relations were characterized by features such as the emphasis on status, collectivism, and personal dependence on the collective and social superiors. As market replaced non-market economic relations, these social relations were also replaced by those emphasizing contract over status in the rise of legality and bureaucratic-rationality, individualism, etc.

As seen in section 2, with the progress of market-oriented reforms, the non-market economic relations existing within the unit are rapidly breaking down. In relation to public enterprises, the vast majority of workers now have to look for employment on their own; welfare items previously provided by or distributed through the unit have now to be bought in the market; the ‘family of employees’ today is not averse to rationalize or dismiss them. As a result, the unit as a substitute collectivity is weakening. Neighbourhood solidarity has declined (Shaw 1996: 69). The ‘tradition’ of workers ‘regarding the enterprise as home’ is fading. The ‘union’s work [to establish the ‘family of employees’] has been affected by the market economy . . . labour contracts have] reduced workers’ concept of the enterprise as home’. ‘In the past, it was the enterprise that paid the pension, now it is the government. Skilled workers today switch jobs [for higher pay] . . . Today’s workers care only about their individual interests and values’ (author’s interviews). By and large, the unit’s repressive-ideological functions have disappeared. ‘In recent years . . . The dossier is no longer a key to job transfer’ (informant cited in Shaw 1996: 23). Ideological propagation in units has long atrophied (Walder 1991: 474–6).

Under the impact of factors such as the desire to join the World Trade Organization, China’s market-oriented reforms (especially since 1992), and hence their socio-political effects, are highly compressed in nature. Thus, whereas there are signs that new values such as privacy are beginning to sprout (‘In-Laws Shown the Door as Couples Seek Private Lives’ in South
Socio-political control in urban China: changes and crisis

China Morning Post 17 Oct 99), in general the rapid demise of the unit’s socio-political control functions has far outstripped the emergence of legality and bureaucratic-rationality, new morality and values, new institutions and processes for social and political integration, etc. to perform the same functions. A classic case of anomie has arisen (here we employ the concept of anomie with specific reference to the socio-political dimension). What is more, this situation has emerged at a time when millions of public sector employees suffering from anomie are being thrown out of work. In the past, employees were on the one hand forcibly tied to the unit, and on the other referred their grievances and problems to the ‘family of employees’ for resolution. Today, not only are employees freed from the unit’s repressive-ideological bondage, its weakening and the lack or immaturity of new institutions to perform its former role of grievance and problem resolution means that employees suffering from the impact of reforms mostly have to fend for themselves in the unfamiliar marketized socio-economic environment.

In the mid-1980s, Party leader Zhao Ziyang and his aides were already aware of the danger of the above, though not exactly in the same terms. They proposed a model of political rule christened ‘New Authoritarianism’ (Wu Jiaxiang 1990). Modeled on the authoritarian rule of Asia’s ‘four little dragons’ during their economic takeoff, ‘New Authoritarianism’ was partly inspired by Huntington (1968), whose own theory of a lag between the absence of new political institutions combining legitimacy and efficiency and the socio-economic structural changes experienced by developing countries is inspired by the concept of anomie itself. The idea was to have an authoritarian ruler maintain social stability with a strong hand during such a lag, so as to allow de-regulatory market-oriented reforms to proceed. As these reforms were creating diversified interests, the model made half-hearted provisions for cosmetic interest representation. Under Zhao’s political reform in 1987, territorial unions at various levels (which supposedly represented urban labour) were allowed to participate in labour and labour-related legislation and policy-making, though only at a low level. Major decisions were still made by the Party/government, often without informing the union. Only afterwards would the union be asked to participate in drawing up the details (cf. Jiang 1996). This practice has been maintained despite Zhao’s political demise. But what is the point of such a practice if there is no real interest representation as the union does not actually represent its assigned ‘constituency’?15

The reform era is a period of primary accumulation of private capital, a period in which foreign investors exploit the hunger for foreign investment to engage in similar extraction of surplus value, and in which the public sector undergoes massive restructuring and re-orientation. In the view of Zhao and his aides, management and foreign investors are bound to make demands that exacerbate the effects of reforms and, hence, increase the risk of social explosion. Being given a participatory role, albeit at a low level, it is in the union’s own vested bureaucratic interests to keep
the worst excesses of these demands in check. In other words, the union’s participatory role was conceived in terms of socio-political control, and has since been undertaken in those terms. The regime’s awareness of this is quite general among officials, as the following instance shows. The union now coordinates with government labour departments\(^1\) to enforce the Labour Law, effective since 1995. In 1996, a Guangdong labour official self-satisfyingly stated that by monitoring (widespread) infringements of the law, 343 strikes and 401 petitions were successfully defused in the first five months of 1995 (Wen Wei Po [Hong Kong] 30 May 96). The Labour Law is precisely targeted at the worst excesses of reforms. In its drafting, the union fought a hard bureaucratic battle against the demands of management and pro-management/pro-foreign investor economists (Jiang 1996). One can imagine what the situation would be like without such a law.

The prevention of the worst excesses of reforms is not enough. Since 1993, local labour departments have been under standing instructions to systematically compile statistics of, and regularly report on, collective labour disputes (Ministry of Labour 1993: 12). As the above case in relation to the Labour Law illustrates, labour departments and the union are now explicitly charged with the responsibility of preventing and defusing labour unrest. Unionists interviewed by us all take upon themselves the task of forestalling such unrest: ‘[when enterprises fail to pay wages] you have to be understanding and not go on strike. On the contrary, you have to work upon [i.e. pacify] the employees’; ‘strikes are to be avoided . . . [when they do break out] the union should calm the situation down and get production resumed as soon as possible’; ‘our workers have never gone on a demonstration, we have been tirelessly working upon [the workers]’ (author’s interviews). Union leaders never tire of repeating the need to ‘work upon the workers’: ‘[union cadres should] dissuade workers from making excessive and drastic demands’, ‘solve the problems when they start budding’, ‘try all means to eliminate instability. When they notice any trace of unexpected incidents, they should immediately report to the party and the government’ (cited in China Labour Bulletin Nov 95: 6–7).

With the unit’s role as the ‘family of employees’ weakening, the union now bears an increasing burden to act in that role on its own, so as to keep employees suffering from the impact of reforms turning to this ‘family’ for grievance and problem resolution. ‘[The union] should show up when things occur, let workers feel that we still care for them . . . [do] more [to] attract their attachment . . . [so as to] prevent instability’ (author’s interview). This is why ‘providing warmth’ (song wennuan, i.e. providing some basic daily necessities and subsidies to displaced workers) is an important aspect of the union’s work today. In 1998, a unionist we interviewed visited several ‘households in especial difficulties’ (tekunhu). After the visit, he raised several hundred yuan from the union and gave each household 100 to subsidize their children’s school fees. ‘Though it’s a small sum, the families cried in gratitude’. The collectivistic ethical significance of ‘providing warmth’ is still substantial for many workers.\(^2\)
To prevent a workers’ revolt, it is also necessary that any discontent be channeled through the ACFTU only. The Party is highly wary of workers acting outside the ACFTU (author’s interview). In 1997, activists prepared to convene a National Congress of Chinese Revolutionary Workers. The ACFTU got wind of it and assisted the police in arresting the organizers (author’s interview). The absence of official unions in many foreign-investment enterprises (FIE) has facilitated the formation of workers’ fraternities of migrant workers from the same native place, which has alerted the regime (Li Qi 1994). Hence, the regime is anxious to unionize FIEs. Why? Is it for protecting workers under the Labour Law, at least in a ‘non-adversarial’ sense of ‘protect’? ‘I tell [foreign investors] our union is, after all, under the leadership of the Communist Party . . . The Party invites [xiyin] you to invest in our country, you need to make profits, our union’s work is to protect your stability. . . help you make profits, not letting workers make troubles for you. If you don’t let us set up [unions], when [workers] make troubles, there won’t be anyone to resolve these matters for you’ (author’s interview).

For over a decade, the regime has taken various measures pertaining directly or indirectly to the control crisis. Since the 1990s, on the advice of intellectuals known as ‘Neo-Conservatives’ (Chen 1997), whose intellectual forbears are none other than the ‘New Authoritarians’ of the 1980s, vigorous efforts have been made to bolster the regime’s general legitimacy by promoting nationalism. The regime hopes that government-operated social security funds will in time provide an adequate alternative to at least some of the unit’s decaying welfare functions. But as analysed, it is the union that plays the biggest and most direct role: preventing and defusing labour unrest; bearing an increasing burden to sustain the decaying ‘family of employees’, hence, in a way, acting on its own as a functional alternative to the degenerating unit-RC-union. Yet, the regime is caught in a catch-22 situation: while the union is given this important mission, so as to allow the Party’s market-oriented reform program to proceed, this very programme which has undermined the unit form of control is also causing a rapid and grave decline of grassroots unions.18

Finally, this paper analyses the breakdown of the traditional form of socio-political control in urban China, its resultant crisis of control, and measures taken to cope with it in relation to public enterprise employees. If our analysis is valid, it is clear that more than the potential revolt of urban labour is at stake. In reality, an overall social crisis has been developing in relation to general social order and control. While some related issues such as social decay in the form of rampant corruption and the Falun gong cult have attracted public and/or scholarly attention, vast areas on which fruitful research can be conducted await study.

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NOTES

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1. By socio-political control (hereinafter referred simply to as control), I refer to the relations between the state and society in which the former keeps the latter within the boundaries of the existing socio-economic-political order.

2. Official unions are organized along both industrial and territorial lines, with territorial unions being dominant. Grassroots unions (in work units) are led by the local union. The All-China Federation of Trade Unions (ACFTU) is the national organ of the territorial structure. For convenience, the term ‘ACFTU’ is used to refer either to the national organ or to official unions as a whole according to the context.

3. For convenience, informant data are referenced as ‘author’s interview(s)’.

4. The Chinese term zu is analogous to ‘clan’, though, for convenience, we use it to refer to all descent groups (clan, lineage). Zu’s were usually based upon a particular locality, though its branches/members might be geographically dispersed. In central and south China, there were many mono-zu villages. Multi-zu villages were more numerous in the north. The present and next paragraphs are based upon Hu 1985 [1948], Hsiao 1972 [1960] chap 8, and Duara 1988 chaps 4–6, except indicated otherwise.

5. Note that these MAW functions, unlike the welfare of a modern Western state, were based upon the collectivistic values of a closely-knit social group.

6. Tenancy was much more widespread in the south than in the north. On the other hand, many poor peasants had to supplement their income by leasing additional land, and often fell under landlords’ usury.


8. This and other unit practices remind one of the ‘carceral’ (Foucault 1977). But Foucault’s postulated ‘disciplinary individual’ is premised upon the individualized subject form, whereas, as will be seen, the unit form of control is premised upon the collectivized subject form. The Foucauldian Dutton (1992) also observes that Foucault’s thesis of the transition from ‘the scaffold’ to ‘panopticism’ is inapplicable to China. Whether or not given both the above points, Dutton’s insistence on applying Foucault’s categories to the study of punishment in China is open to question. That, however, is beyond our present scope.

9. My gratitude to Mr. Bennis So for enquiring with Beijing residents concerning this on my behalf.

10. Sometimes referred to as the unit-RC-union hereinafter to underline its constituent institutions.

11. While it is unnecessary to address the concept of the state in the present paper, a related point needs to be mentioned. Not all cadres draw their income from the state budget. The income of the manager, Party secretary and union chairman/cadres of a state-owned enterprise (SOE) are defrayed from its costs. Shue (1988: 113) excludes rural grassroots cadres from the state because they are ‘not on the state payroll . . .’. Following this logic, an SOE manager would switch in and out of the state as he is redeployed from an SOE to an industrial department and vice versa; while the ACFTU becomes simultaneously a state and non-state institution because, unlike grassroots unionists, cadres of territorial unions are on the state payroll. Likewise, in imperial China, the county magistrate’s principal income came from what was effectively state-sanctioned tax-farming (Duara 1988: 45–6). Hence, we reject Shue’s view and regard our conceptualization of grassroots unionists as state cadres to be justified.

12. Since this paper is not concerned with the union as such, space forbids extensive citation from data so obtained. Let it simply be stated that we discern a general genuine conviction among our unionist interviewees that the union’s role is to handle workers in such a way as to assist the Party/state attain its objectives. In this connection, we can appreciate the 4 cases, by no means the only ones of their
kind, reported in the ACFTU’s daily (Gongren ribao 6 Mar 96) in which enterprise union chairmen represented management against workers in arbitration cases. Some further evidence is cited in section 3.

13. We focus on developments in SOEs in this section, which employed 78 per cent of urban labour in economic units in 1978. Similar developments are taking place in non-enterprise units.

14. It is only that in the West, the rise of a modern division of labour and industrialization under the conditions of private property naturally took the market form.

15. Given the above awareness of Zhao and his aides, the following analysis cannot be taken to be a simple-minded functional argument.

16. Since March 1999, labour departments have been re-named labour and social security departments. For convenience, we maintain the shorter name.

17. In view of section 1’s analysis, it is unsurprising that even after two decades of market-oriented reforms, what most urban residents hope for from their rulers is still the folklorist ‘parent official’. Similarly, to impute into the ordinary Chinese worker elements of a modern Western proletarian would be to commit a mistake of essentialism.

18. After a period of steady development in the 1950s, the ACFTU was severely weakened from 1958 on and was even dissolved during the Cultural Revolution. It was restored in 1978. In the early 1980s, hopes were high of its re-strengthening. Such hopes were later dashed as market-oriented reforms accelerated. Since late 1993, SOEs are to be transformed into corporations. Corporatized SOEs often disband the union or amalgamate it into the management structure. Unionists interviewed all testify to how grassroots unions, already subordinate to the Party/management to begin with, have suffered further weakening.

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