

# “Unemployment Crisis”: Its Significance for the Chinese Working Class<sup>1</sup>

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中国经济体制改革既是制度层面的利益重新分配，也是经过符号运作建立阶级身份的过程。本文通过对A企业产权制度变迁过程的考察和对其中26名员工的访谈，分析了工人阶级在产权制度变迁中共同经验到的“失业危机”；在市场与资本的共谋之下，工人阶级群体分化为有技术、有竞争力、年纪轻的“上岗”人群和没有技术、没有竞争力、年纪大的“下岗”人群。这种身份划分既是资本权力的运作也是文化符号的运作，它使“下岗”工人把问题指向自身，削弱了他们的反抗力量；“上岗”工人的共同利益明显化，并有了明确的利益诉求。在企业产权制度变迁的过程中，中国工人阶级的政治地位和经济地位紧密地结合在一起了。

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## I. Posing the Problem

Between 1949 and the late 1970s, China traversed a road that developed the economic sector under the ownership by the whole people, nurtured the collective economy, and exterminated the individual and private economies. The aim was to maximize the advantages of socialist public economy. This was a period of unified domination by the state-owned economy plus collective economies guaranteeing the operation of the country's planned economy. By 1978, economies under the ownership of the entire people (meaning by the state) took up 80.8% of the country's gross industrial output value, while the rest (19.2%) was accounted for by enterprises of collective ownership. Of commodity retail sales, economies under ownership of the entire people took up 90.5% of the total, those of collective ownership took up 9.4%, while those owned by the individual

took up only 0.1%. The 1990s found China in a process of urban reform, developing a market economy on the basis of multiple management systems co-existing and operating side by side. In terms of employment in the stated-owned enterprises, a peak was reached in 1995 when total employment reached 112.61 million; this was followed, however, by annual decline. By the year of 2001, the number had dwindled to 76.4 million, a drop of 36.21 million as compared against the number of 1995.<sup>2</sup>

The term “unemployment crisis” is used in the present study to refer to the general process of the workers' choosing from among, or being chosen for, of several alternatives: *neitui* (internal retirement), *daigang* (temporarily unemployed but still on the payroll, or job-awaiting), *xiagang* (laid off), or *shanggang* (placed in a job), a process during which the workers are faced with the threat of joblessness, constituting

a psychological experience of as well as an employment status of working class. Is the unemployment crisis the workers are faced with a common experience shared throughout a whole class? How does it affect the social status of the Chinese working class? Does it lead to unification or fragmentation of this class? How does it contribute to social stratification in China?

To answer these questions we shall investigate the evolution of the system and

personnel changes taking place in an enterprise here named "Alpha Co.," Alpha Co. is located in Nanning, the capital city of Guangxi Province. Its history of evolution over the years reflects the process of system changes witnessed in the state-owned enterprises in China, and changes in its personnel is also synchronous with those in other state-owned enterprises throughout the country.

**Table 1 Changes in Alpha Co. over time**

Period	Main products	No. of employees (approx.)	Type of enterprise
Early 1950s-1970s	Fireproof bolts	-	Military industry
Early 1970s-1986	Fire-resistant material	-	State-owned enterprise
1986-1990	Beer	1,700	State-owned enterprise
1990-1996, merged with beer a similar firm (Alpha Co.)		2,100	State-owned enterprise
1996-2000, joint venture with Thai side (Alpha-1 Co.)	Beer	1,200	Joint venture
Early 2000, owned exclusively by Thai firm (Alpha-2 Co.)	Beer	400	Single-investor enterprise

In 1995 Alpha Co. reached a peak in terms of employment and production capacity. In 1996 it became a joint venture during the high tide of government-sponsored enterprise restructuring. Of the three joint investors, two were Thai firms and one was a Chinese bank, with Alpha Co. taking up 43% and the foreign firms 57% of the stock. The firm was renamed Alpha-1 Co. and in series of operations the ratio of its stockholdings underwent a change, ending with 40% shares in Chinese hands and 60% shares in foreign. The two parties took turn to appoint the firm's general manager for a year. Subsequently, the firm's performance began to deteriorate owing to various causes, and so the two parties decided

in 2000 to part company, all the shares of the enterprise were to be purchased by one firm, which the Thai party did. The firm became Alpha-2 Co., a solely foreign-owned enterprise. The Chinese party was paid for all its previous stock rights; it retained the enterprise name of Alpha-1 Co., becoming a state-owned enterprise once again, but without any production facilities. The system transformation took three months to complete, with preparatory work starting in January and asset restructuring completed in March.<sup>1</sup>

In the process of stock right transformation of Alpha Co., its working force experienced important changes. In 1995, the

enterprise had 2,100 employees. From 1996 to the end of 1999, this Chinese-foreign joint venture, which it had become, ceaselessly reduced this working force by means of diverse systems: retirement, internal retirement and “temporarily unemployed but still on the payroll” in various forms. By the end of this three-year period its employees had dwindled from 2,100 to some 1,200 persons, a reduction of 43% of the original total force. In January 2000, workers of Alpha-1 Co. were faced with the following alternatives: either to remain in Alpha-1 Co. or to go to Alpha-2 Co. To remain in Alpha-1 Co. meant “going home”—a special form of latent unemployment. For the worker, there was a latent interest; the enterprise would pay him a relatively considerable sum of money to “purchase once for all the benefits due to him by virtue of his working years.” The problem here was, however, no specific stipulations were announced or practiced upon to the date when the present investigation was concluded, and the promised sum of money had become an uncertainty. Consequently, those who agreed to the suggestion became instead “temporarily unemployed but still on the payroll,” and were paid RMB 250-450 yuan per month in accordance with their different years of service and job status. Finally, about 800 workers remained in Alpha-1 Co.. Those who chose to go to Alpha-2 Co. continued to have work, the direct benefit from which was a monthly wage of more than RMB 1,000 yuan, relatively higher than the local average. But in that case they had to give up the possible payment for “compensation for their years of work once for all” even though they had worked so many years with Alpha Co.. Finally, more than 400 workers went to work at Alpha-2 Co.

The investigators entered Alpha Co. in

July 2000 when normal production was already underway in Alpha-2 Co. Of the 26 workers and staff members of different categories interviewed, 19 (including 3 temporary labourers) had work with Alpha-2 Co., 2 were job-awaiting at Alpha-1 Co., 3 had internally retired from Alpha Co., 1 had retired, and a family member of a worker from Alpha Co., who was without regular work. Of these people, 10 were college graduates; 3 had middle-level status in the firm’s job structure, such as workshop directors and section chiefs, 2 were cadres; and 21 were workers. In terms of age, 4 were under 30; 12 aged 30-40, 7 aged 41-50, and 3 were over 50.<sup>3</sup>

## II. “Unemployment Crisis”: The Workers’ Common Experience

It has been established through the interviews that all the workers, be he among those choosing to work with the single-investor enterprise or among those choosing to remain in the original state-owned enterprise, have all experienced intrapsychic conflict in making the choice. The “unemployment crisis,” that is, the possibility of losing one’s job has strengthened the workers’ desire to work and their worries for security. Their common experiences have clarified the social status of the working class that their relationship with the enterprise spells dependency, that they are to be selected and chosen and are confined. Through the transformation of the enterprise property rights, they have lost at one stroke the sense of “owners” that they were used to enjoy under the system of planned economy; the threat of losing one’s job has become a sword of Damocles hanging over their heads. “Here’s the job. Take it or leave it; there are others waiting for it,” such words have

become a threat to the working class as a whole.

*1. "Unemployment crisis" strengthens the desire to work*

Firstly, whether on internal retirement, on notice for a job or working, all the workers desire to work, and that strongly. Master Fan, internally retired from Alpha-1 Co. at 50, states:

I'm willing to work, though you can call the work tough. That, it certainly is. But they won't give it to you, even that tough work. The work we did was tough alright. Yet just one year after the joint venture business was completed, they had all of us old guys fired, and didn't want to use us. No work, I feel uncomfortable. In the past, we could continue till fifty-five. Now they just don't want us. What can I do? (Interview 22)

Master Liang, a fixer of vehicles who had chosen to remain with the single-investor enterprise stated:

If I went there (i.e. Alpha-1 Co.), you can be sure that there won't be any work. Have to be go job-awaiting, no other way out. There is work here, so you can be sure of your pay. There are of course workers wanting to be with Alpha-2 Co. but couldn't make it. The reason? Not so handy, probably. Naturally, we always want work, although it's much tougher than before. Just think, in the past there used to be more than ten repairmen for the vehicles, now we have only four and there is much more to be done. The pay is somewhat higher, more than one thousand. In the past, it was just above eight hundred. (Interview 17)

Master Song, a self-described "old

worker" of 46, explained his decision to give up his previous position of section chief in Alpha-1 Co. to become a rank-and-file worker in the single-investor enterprise:

Being section chief didn't really matter. What really did was that there was a job for me, but none left in the old firm. People of our age set great store by whatever we do. Each of us here has a contract in hand, and it was signed rather in a hurry. It was 29 February and Alpha-1 Co. would close down at once. We had to sign the contracts immediately with Alpha-2 Co.. Otherwise even if we had wanted to go back to Alpha-1 Co. we wouldn't have able to. On this side of Alpha-2 Co., contracts were hastily drawn up and issued to us to sign, which we did. Well, if you thought the pay too low and it wasn't fair, you could refuse.

Of the 26 interviewees, all—young or old, internally retired or retired—declared that they were fit, they all wanted to work, and were eagerly looking for work, yet only "nobody wants us."

Secondly, workers' desire "for a job" is against the background of "being laid off" or "having no work to do." Ms. Huang, 30 years of age, was a workshop statistician now working with the single-investor enterprise. She stated:

One thing is definite that it is better to have a job than to have no job no matter what risk there is in it. There is of course the risk of being kicked out by the new firm. Fire me out if they insist to in the future; I'm happy enough to have my job now. This is the way I think. I didn't expect a very high wage in the foreign-funded firm. At the time when we were divided, the old company was losing money, and nobody ever mentioned that what benefits there would be working

here. And I knew there was the risk, but I didn't think much about it. Outside here, there are so many off their jobs and waiting for one. (Interview 12)

Which enterprise was it better to stay with? Whatever the workers' decision, it constituted a choice, and their framework of comparison had less to do with wages or benefits than "whether there's work." This framework was built upon the following fundamental perceptions: First, "Outside there are so many people "laid off" or "job-awaiting." Second, "It is unquestionably better to have a job than not." Twenty years of market economy reforms in China had made almost all people below 45 mature in their realization of the pressure exerted upon the workers by the nation's gigantic population; they not only sensed it, but had experienced for themselves what it means to be "laid off" or "job-awaiting" (some of their spouses had been laid off). Besides strengthening their desire for work, such accumulated experiences had made them aware of the potency of all kinds of risks as well.

## 2. *The fundamental demand: ontological security*

For those remained with the single-investor enterprise, would the desire for work be fulfilled? The answer was not certain. Ms. Liu, a gardener who had stayed with the Alpha-2 Co., told us:

Different people had different ideas. We who were young and could gamble would gamble, but those who are no longer young have to think about medical insurance and other things, so they preferred the state-owned enterprise. No job here is secure, so we have it on a daily basis. As I see it, those stayed had an eye on the high wages, but actually there hasn't been much difference. They said it would be high

and the words came from somewhere above us, we had no chance to see the documents. Things were chaotic at that time, and nobody knew what was happening. Our section chief was getting on in years, close to retirement, so he went to the state-owned enterprise. Nobody cared for us. As one who had gone through things, his advice was to follow the Communist Party. The state-owned enterprise belonged to the Party. But in the main we had our eyes on the high wage, thinking it could be 1,200 or 1,300; at least 1,000, we thought. Now the highest is 800, and the lowest is just above 600. Sure, for some workshops the pay is higher, but it is kept secret. There are a lot of names on it (the payroll), but they will cover up the other names and let you see only yours. We don't have the same wage for the same work, either. We three just had a little raise, and are paid 700 for a month, much the same as it was. We went to the Section for Work and Wage and asked questions, and were told keep it or leave it instead. What you do just deserve this much, they told us. (Interview 24)

Mr. Zheng, a skilled worker of 32, working in the foreign-invested enterprise, told us:

The first worry is to get kicked out. The second is the firm has no money to pay wages. Management here is very severe. One fellow was fired in June, which was unheard of in the state-owned factories of the past. Now those above you look for trouble for you, and will fire you when they have a mind to. What worries us most, what we fear most is to go without our wages. Life cannot get on without it. (Interview 16)

This psychology of “no job is secure, so we have it on a daily basis” or “worry” shows that the workers’ desire for work has not been met in full. The reality of the Chinese workers is: they demand only a relatively secure and stable job and the relatively secure wage that comes with the job, which they should have as human beings. This is the most fundamental demand for a sense of security regarding their very existence. “To have a job” does not mean that they aimed at “having a better job,” but that they don’t want to “lose their jobs”; it shows the workers’ impotency in their negotiations for jobs and the threat of “take it or leave it” they were often confronted with in those ugly situations. This need for ontological security is the common experience of the working class in the contemporary world, constituting the foundation of their class identity.

### III. Conspiracy of Market with Capita

Will the situation of their common experience of unemployment crisis turn the working class into a group of common interest? The study shows that obviously, their common experience has rather resulted in the internal division of the working class, which has a symbolic significance.

#### *1. Surface phenomena: division of workers in the labour market*

Who remained with the state-owned enterprise, and who stayed with the foreign-invested enterprise? How did the process of choosing take place?

According to Mr. Pan, chief of the Alpha-1 Co.’s Section of Mechanics and Kinetics—a middle-level administrator—and interview respondent,

Which enterprise to go to? It was, first of all, to be decided by the workers themselves. Then it was for the heads of the departments to make selections.

(Interview 18)

According to the respondent Mr. Fan, a worker who had internally retired from Alpha Co. at 50,

The selection was of course made by Alpha-2 Co., not by Alpha-1 Co.. Workers selected were the ones with good skill, and they must be energetic; those who were old, like us, were discarded. (Interview 22)

According to Mr. Liang, another interview respondent and motor mechanic of the foreign-invested enterprise:

The foreign-invested enterprise definitely had its standards for workers to keep. The first was that they had to be young, and I’m 35 this year. Old people weren’t wanted, too much of a burden. In the second place, they were better off in terms of skill and other things. In our workshop there were more than 100 workers, yet now we have only 30 and more. You had to pass interviews, and the last one was with the plant-director. He showed you the exact figure of your wage. If you liked it, you signed his contract; if not, you just went. (Interview 17)

While seemingly autonomous, the process of workers choosing from among the alternatives was in fact controlled by the foreign-invested enterprise. The workers had the liberty to remain with the state-owned enterprise, but if they chose to enter the foreign-invested one, permission lay with how they appeared in the eyes of department heads of that enterprise. Standards for selecting workers was linked directly with market targets, which preferred workers “well-skilled, young and energetic.” The

carving up of the group of workers was thus accomplished by the foreign-invested enterprise specifically and overtly through the process of selecting workers, with age and skill as standards for carve-up.

2. *The force of capital drives the differentiation of workers*

As has been established by facts, profound power relationship lay behind the market forces. Mr. Zhang Xianming, a interview respondent and director of the foreign-invested enterprise's workshop of electronic instruments, described in vivid words the process of "selection" and his predicament.

When I became head of the instruments group in 1988, there were some 20 workers in the group. In 1997 the enterprise began to reduce workers, the first that I ever have experienced. The reduction was large in scale, 5 or 6 persons were taken from our group and reassigned to other workshops, while benefits were the same, wage cutting followed job shifting. At a later date the practice was re-termed "fixing the number of the staff" instead of worker reduction. Actually, fixing the number means reducing it. There had been 35 of us and now there were only 30 left, which meant just number reduction. I never know what such fixing the number of workshop staff was based on, although I have waded through quite a few times through them, and found each time the process hurting hard. Most of the workers in my workshop were my schoolmates, and we had worked together for so long. On both the palm and the back of your hand, there is your flesh and it hurts bad to cut away any. Another hard fact was the good performances of each and all, we all worked hard even if they differed in skill. Each of these number-fixing

was painful for me. Who could stay and who had to go? My superiors gave me no standards and the problem left me no peace no matter if I was eating or in bed at home. I was the one to decide, so I decided in accordance to their capabilities. To be prudent, I sought out some section chiefs and team leaders and consulted with them. To be frank, all those who were kept were good at work. Otherwise, if I kept only those on good terms with me, the situation would be too much for me to cope. And so, after weighing again and again one thing against another, those who were good at work were kept. The actual operation was very difficult; we had to "do ideological work," trying to convince the released personnel that it had to be so, that the standards were impartial, etc., which we did a lot of. Some understood, others did not, especially some old hands. They refused to accept the situation, refusing to hello me even now. Before they left the shop names were called and fights were picked. The experience was new to me, and it was hard for me to imagine. Well, as old hands they should be able to understand why the firm had to do so; it was the firm's decision, not the workshop's idea, and there was nothing I could do about it. It had to do with ability and with age, these had to be taken into consideration, right? You are getting on in years; shouldn't you give up the places for the younger ones? Some just won't understand, though, they won't greet me even today.

On the question of who were to stay, mostly I had the last word. But there were exceptions; some had connections they could use and they did so. This was also hard for me to get my head around. How could there be Chinese-style *guanxi* (connections) in a foreign-controlled enterprise? Foreigners aren't supposed

to act like this, but they did. Usually just one word from the general manager: “This one stays.”

The situation in our firm is a bit special: here we work in a single-invested enterprise, yet we continue to live over there in the state-owned enterprise, meaning we live side by side with laid-off workers. We hung out a lot together, and always tried to explain, hoping they would understand. Many of them continue to be without work even now. To tell the truth, that was why I was so prudent making the decision to let them leave. I knew that once you were laid off from a job, you would have little chance for employment. Alpha-1 Co. hasn't much substance left, and has no way to place them in jobs. So they have to count on themselves. Those who had ability went out to try their luck. Some found work through *guanxi* of some kind or other, some started small business, while some continue to sit idle at home. It is possible that those who have become small businessmen have a better income; I don't really know how much they make. but I have not yet heard any saying that they are doing better than they did here. What I've heard, though, was that those who have been kept here feel lucky, that it is better than to have to go out looking for something to do. Of course we cannot exclude those cases where good family background can help, such as an immediate inheritance of the father's business and the like. The trouble is, most of them don't have much education, and this makes it quite hard to find reasonably suitable work on the labour market. (Interview 1)

A number of facts become apparent from the process of “work placement” and “being laid off” as described by Zhang

Xianming:

(1) Superficially it was the particular department heads, such as team leaders, section chiefs and workshop directors, who had the decision-making role, which shows that actual power to control the lower stratum workers in the factory has passed into the hands of these grass-roots officers. However these grass-roots authorities, as in the case of Zhang Xianming, find it stressful. The process of selecting workers antagonized the lower stratum workers against them; they became agents of management by the “quota” (i.e. numerical limit on how many workers to keep) forced upon them, which came from above.

(2) This process should not be regarded simply as one of the market selecting the superior, but must be seen as one of capital pursuing profit. In accordance to the theory of human capital, all skilled workers with good potential for development and rich experiences ought to be kept. Yet the enterprise drew a clear-cut line in terms of age—“the old aren't wanted,” but 40-55 marks the best years in a worker's life when he or she is still energetic yet rich in experience. In Alpha-1 Co., “age discrimination” was practiced when all women workers reaching 40 and men workers reaching 45 were ousted in one stroke. In China, getting on in years meant not only rich experiences and mature skills, but higher costs in the form of benefits as well, and the latter out-weighed the former. Thus it was not the market but rather capital that had the say, which the workers saw clearly. “The foreign party saw us as too much of a burden,” said Master Shi, who was 46 years in age. “Too many retirees, too many internally retired and too many temporarily unemployed. They meant too much expenditure. And so when the firm split they kept only 400, the rest were shed as so many burdens.” One can call it selection by the market for the superior when it is the well-skilled that are selected to stay, but when



those who are above 40-45 are ousted, it is the logic of capital that is being followed.

#### **IV. “Us” and “Them”: The Symbolic Significance of the Psychological Borderline**

The “selection of the superior,” as practiced by market conspiring with capital, led to the division of workers into two groups, the one that was “placed in work” and the other one that was “laid off”; it also led, at the same time, to their division at the psychological level, with a demarcation line lying between “us” and “them”; the symbolic significance of “being placed in work” or “laid off” was thus materialized.

The selection process carried out by the agents of capital, that is, the administrators, with being young and skilled as the standard was in fact a kind of “differentiation,” the symbolic meaning of which is: “being placed in work” signifies youth, skill, sense of duty and competitiveness; while “laid off” connotes old age, no skill, no education, poor performance at work and non-competitiveness. The two groups can identify each other readily. Those with jobs distinguished themselves clearly from those who are taken off their posts; the symbolic significance of being “laid off” lies in relegating with legitimacy any worker aged above 40 and unskilled to the category of useless persons.

Mr. Liang, a car repairman staying now with the foreign-invested enterprise, said in the interview:

We were somewhat younger. But those above 45 had to worry. They were not old enough to retire, yet too old to quit the enterprise and find another job. With us, the change didn't really count much. We were young and, what was more,

reasonably skilled; If we had to leave, we could always find work, especially us car repairmen. (Interview 17)

Ms. Quan, an engineering technician of 30 staying with the foreign-invested enterprise put it this way:

Neither internal retirement nor job-awaiting made us feel any pressure. Rather, we were happy with the change, because in such factories like ours—those left over from the fifties or sixties—there were many old workers. When the factory switched to beer brewing, some carried on as rank-and-file workers, while some others kept working in the administrative departments. They fairly have experiences in managing the old factory; indeed there were many changes in the nature of production, but the leadership remained the same. The roots were deep and solid. In such a situation, we young people had little chance for promotion. We were quite happy now that most of those who were getting on in years had to go, leaving vacancies with leading roles. These vacancies had to be filled, and so those who had the ability to lead would be sought out from among skilled workers to fill them. This was our chance for promotion. You might make it if you had a good track record. (Interview 26)

During this process of “selecting” workers, almost all the administrative posts of the middle level at Alpha-1 Co. were filled with young people, while members of the middle-level leadership aged above 45 all chose, “voluntarily,” to remain with the state-owned enterprise. Master Shi (46 years old, who used to be an officer at Alpha-1 Co.,

wanted to stay with the foreign-invested enterprise at first but finally chose the state-owned one) said:

Most of the leadership, including those of the middle level, didn't go to Alpha-2 Co.. All those who stay with Alpha-2 Co. were below the middle level. There if the foreign party saw you were experienced in a certain department, they would make you a director, a section chief, or the like. All of these categories of officers now were promoted from the old enterprises' rank-and-file. We old ones had different prospects, we could at least take internal retirement at Alpha-1 Co. and find security for our old age.

The fact that the elderly workers had to go "job-awaiting" added to the advantages and chances of those young workers who were competition-conscious and skilled. The latter, a new generation that had been brought up under the conditions of socialist market economy and had in general the professional school or college diplomas, felt profoundly that they had no chance of career development and there was little relationship network to rely on at the state-owned enterprise, approved and welcomed the change in the ownership system of the enterprise, in which they saw their opportunity.

Diametrically, the concepts of "us" formed among those job-awaiting workers who were "job-awaiting" or "laid off" were mostly passive. A woman worker "temporarily unemployed but still on the payroll" complained: "Generally speaking, our generation who went through the Cultural Revolution don't have much formal education, have worked more years and are comparatively older. These conditions make us unfit for competition. We couldn't

compete with you young people even if we tried. You're young, don't have much burden (in terms of family responsibilities) or pressure. We're different. Should they take and then fire to have us, our seniority of decades of years would go up in smoke."

During the course of choosing between being "placed in a job" or "laid off," the worker group undergoes a process of self-division; similar sub-groups constantly build up their relations with one another, and, by setting up similarities among "our group" as well as differences as compared with "their group," find their own social identity. Phrases such as "us older workers" and "those young people" cropped up constantly in their speech. When talking to the interviewer, a worker who had "internally retired," said indicating another interviewee worker: "We are of the same group" (Interview 22), while a technician of 30 was full of sympathy for his workshop director when he said:

It's hard for the man in the responsible position. We've all worked so many long years together, and there have developed a fellowship among us. Our factory had reductions many times. With round after round of job-shedding, all those who were left were the good ones: good track records, responsible and energetic. Yet you still want him to fire some of them? Who was he to fire? It was really tough for the workshop director. Much better just to fire myself, said he. I understand the difficulties of the leadership, including my original section chief and division chief, and my new section chief also. All take their jobs seriously. (Interview 26)

Obviously, the interviewee here identified himself with the group made up of

“the good ones” with good track records, responsible and energetic. Building up this social identity fixes the social status of the relevant social group; a structural character comes into being in the interactions between the group of “young and skilled” and that of “older and unskilled,” which tends to weaken the resistance of those “job-awaiting” by inducing self-blame into their psychology.

### V. Another voice: manipulation and resistance

For workers who keep their jobs, the unemployment crisis constitutes a political process. Functioning as a double-edged sword, it gives prominence both to the operation of power and related resistance in the factory’s politics. On the one hand, making the “unemployment crisis” a repeated and repeating experience for the workers has become an effective means for manipulation; constant threat to their ontological security offers an effective control over the workers on the job. On the other hand, the common experiences of “unemployment crisis” plus an awareness on their part of their social status—*one* confronted with the “possibility of being fired” at any given moment—*have* made the workers conscious of the fact that their fate lies in the hands of other people. As a result, a general psychology arises among the workers: “take it (having a job) a day at a time” and “If you’re going to fire me, fire me”; they have lost their fear. Antagonism between capital and labour becomes clear, resulting in an obvious psychology of resistance, which not only whittles away the threat of “you should be fired,” but also helps the development of basic strategies for counter operation.

Master Pang, a technician of 28 retained by the single-investor enterprise said, “Why

work here at all? To keep my rice-bowl is the major reason.”

Analysis at the time—my own, that is—told me if any was to go down, it had to be the boss, not the workers. The enterprise was so huge that it had to go on; you couldn’t close it—all you could do was change the boss. Suppose that I were the boss: if the firm collapsed, I know for sure that someone will turn up to buy it. These machines are very advanced ones in national terms, how could the factory be closed down? At least the workers won’t be changed even if the boss might change. So you would have your rice bowl. So I stay with Alpha-2 Co. But should you choose to remain “job-awaiting” with Alpha-1 Co., how long would you be allowed to await? The 250 yuan per month couldn’t continue till you are 60. Such things are impossible. How can the state handle such a burden?

It can be readily seen that not all the workers depended on the boss. Because of the “machines and facilities,” skilled workers and technicians were self-confident. They did not believe in the boss, but in the fact that mechanized production in a huge industry would need their labour, which would thereby find expression for its value.

At the same time, workers who had entered the foreign-invested enterprise had also come to see that there was no bargaining with the boss without their being united. They strongly demanded their own trade union and a union chairman elected by themselves.

*Question:* Is there a trade union and a conference of workers and staff member here?

*Answer:* Yes, there were, before Alpha-2 Co. came into existence. After that and not long ago, we had a democratic election for the union chairman. We elected one. But the leadership considered him unsuitable.

*Question:* Which leadership? The Thais?

*Answer:* Right. The General Trade Union of the Nanning city sent somebody here to settle the problem, the Director of Organization Department, it seems. He said that the democratic election stood for the broad masses of union members, but the Thais insisted it unsuitable. Well, perhaps he thought he could fix it. Up till now we still don't have a union chairman, although there is a preparatory group with a group leader and a deputy leader.

*Question:* What does the preparatory group do?

*Answer:* I'm not clear about much of what they do. Anyway, there have been quite a few elections. Those who were elected were questionable.

*Question:* Who was the one elected by the union members?

*Answer:* Director of the Finished Products Workshop. He is getting on a bit in age, fairly familiar with trade union policies.

*Question:* Did you take part in the election?

*Answer:* Yes, I did. As the preparatory group distributed the forms

directly in the workshops, the election was carried out in there.

*Question:* Did the original trade union function?

*Answer:* Yes, to a certain extent. What the union chairman said weighed a lot. To be frank, there's no telling who the union chairman appointed by them will follow. Possibly, he won't be representing us workers. And even if he is elected by us, it still depends. How is he elected? Will he dare to offend the Thai? Dare to speak out? Won't he be frightened of breaking his own rice bowl to safeguard us union members' interests at key moments? Can he stand with us and see things from our angle? I doubt it—can anybody really do it? It is very difficult to manage in a single-investor enterprise, I should say.

*Question:* Has the union chairman you elected any influence among the workers?

*Answer:* Yes, he has.

*Question:* Do you have any personal problem at present that need trade union support?

*Answer:* Yes, sure, I need its help. For example, regarding benefits, our medical insurance needs the trade union to help sort it out. In this area we are worse off in the single-investor enterprise.

*Question:* How would an election go this time, do you reckon?

*Answer:* My guess is: an “internal decision” handed down from the top. Actually, that’s what they are doing anyway, finding someone the Thais take a fancy of.

*Question:* Would he pass muster with the workers and staff members?

*Answer:* If it were a democratic election, he wouldn’t pass. The General Trade Union has already sent people over to express their views. That means that this organization here is under direct leadership of the Municipal General Trade Union, and so the enterprise oughtn’t interfere too much. But this is a single-investor enterprise and it will interfere a lot; things are not the same as with trade unions in state-owned enterprises.

Virtually every worker “placed in a job” in the enterprise, including the technicians, takes an active part in an effort to organize their own trade union. All say that they must elect somebody who will speak out on behalf of the workers. Will such a person be elected? While many do have their doubts, it is clear that all hope that the trade union will stand for the workers’ interests. The restructuring of the workers’ social identity has clarified the on-job workers’ quest for their independent interest.

## VI. Theoretical Explorations

Economic system restructuring in China stands, on the one hand, for a system-level redistribution of interests, and, on the other

hand, for a political process of class identity building through symbolic operations. The pressure of the “unemployment crisis” has been felt by all Chinese workers and affected their class experience. A labour market divided in terms of skill and age, together with the powerful strength of capital, has brought about an internal division among the workers. On the one hand, it has weakened, through the effects of symbols, the resistance of “laid-off” or “job-awaiting” workers; on the other, it has strengthened the quest of workers “placed in a job” for their independent interests.

Some sociologists see stratification of the Chinese society as expressed in two dimensions, the political and the economic. Prior to the reform era, the criteria of stratification were fundamentally politicized. Given its prominence, political inequality and the political discrimination that followed were severe. An individual’s class origin, in the political sense, signified political discrimination and resulted in unequal distribution of resources of all kinds. With the introduction of the market mechanism, political differences shrank while economic differences obviously expanded, economic inequality gradually replacing political inequality. It is thus necessary to differentiate the two kinds of inequalities.<sup>4</sup> In terms of the present study, the common experiences and internal division of the Chinese working class brought about by age- and skill-discrimination have joined political inequality with economic inequality, working on the demarcation between different social identities.

Political stratification in contemporary China differs from the one found after 1949, which “differentiated people into social groups with higher/lower status in light of their family backgrounds, political identity,

political stance and political views.”<sup>5</sup> Stratification now differentiates workers into social categories with higher/lower status in light of the individual’s relationship with capital, social values and a system of symbols. Some groups possess legitimate political power; others, when losing their economic status, lose also the political power they are entitled to. That the labels of “older, uncompetitive, unskilled” being stuck on those who are unemployed, “laid off” or “semi-laid off” show only too clearly that economic gaps among people have come to closely overlap with political gaps, psychologically eroding their capacity to take political action. At the same time, a new type of political group—elite skilled-workers—is gradually coming into being. These workers have, during the process of changes in ownership system, gained some legitimate power and formed their political demands.

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## Notes

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1. This study is a sub-topic of the project “The Occupational Career of Chinese Workers,” a project in youth category, financed by China Social Sciences Fund in 1999.
2. The State Bureau of Statistics, ed., *Digests from China Statistics*, China Statistics Publishing House, 2000. p. 39.
3. Thanks are due to Guo Tingting, Guo Yue, Tian Xiaoli, Wang Liping, Li Yan, Chu Dewu and Xu Xiaohong for interviewing workers of Alpha Co. and related transcriptions. The names involved during the interviewed are changed in this article.
4. Li Qiang, “Political and Economic Stratification in China” in Mo Jiahao and Gu Yunwen, eds., *A Comparative Study of Developments in China’s Mainland, Hong Kong and Taiwan*, Hong Kong Humanities Press, 2000, pp. 111-113. References: Lu Xueyi, *Report of Research on the Social Strata in China*, China Social Sciences Documentation Publishing House, 2002.
5. *Ibid.*, p. 113.

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