

# **Contemporary Labor Resistance in China 1989-2009**

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China Labor Net

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# Contemporary Labor Resistance in China 1989-2009<sup>1</sup>

Au Loong yu, Bai Ruixue<sup>2</sup>

There has been no sustained labor movement in contemporary China in the strict sense of the word, i.e. an organized social movement initiated from below aimed at the redistribution of national income for the benefit of labor, or power sharing. There have, however, been important spontaneous labor struggles throughout the history of the People's Republic of China, especially in 1989 when an effort to build autonomous labor organizations began but was very soon suppressed. The reasons for the lack of organization are not entirely the same for different periods though. The authoritarianism of the one party state remains the most important factor throughout all the periods, but there were also significant differences between Mao's period (1949-1976) and Deng's/post Deng period (1979-2009).

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<sup>1</sup> This article was written for *the International Encyclopedia of Revolution and Protest 1500 to the present*, Edited by Immanuel Ness, Wiley Blackwell, 2<sup>nd</sup> edition, 2010.

<sup>2</sup> Au and Bai are both members of the editorial board of China Labour Net.

In the former period spontaneous worker struggles did occur, but taken as a whole the discontent of the workers was less intensive than in the latter period because of their relatively guaranteed jobs and social security.

After the completion of ‘socialist transformation’ in 1956, workers were granted the title of ‘*zhurenweng*’ (masters of the house) and as ‘the leading class’ in ‘socialist China’, they were seen by the party as the incarnation of ‘socialist industrialization’. The working class was the class the party had to rely on in the fight against ‘revisionism’ or ‘capitalist restoration’. These titles must be heavily qualified by the fact that the workers, like the peasants, did not enjoy basic political freedoms, let alone genuine democratic rights to elect their workplace managers, trade union leadership, or their national leaders. Although in their daily lives the honorary title of ‘*zhurenweng*’ meant little to workers, who day in and day out had to take orders from their supposed ‘public servants’, the cadres. The official trade union the ACFTU (All China Federation of Trade Unions) was just part of the state machinery, neither elected freely by workers nor accountable to them. The Staff and Workers Representative Council (SWRC, *Zhigong daibiao dahui*), similar to the German Work Councils, was supposed to

enjoy the power to examine enterprises' strategic policies, to reject the appointment of new managers or dismissal of a current one, and share decision making about wages and workers' welfare. Yet, the arrangement of making the workplace trade union chairperson the executive of the SWRC guaranteed the party's grip over it, making it, like the ACFTU, more like window dressing than a real workers' organ. Both institutions were largely sidelined from 1957, and stopped functioning altogether during and after the Cultural Revolution. In political terms there was, and is, huge inequality.

Nevertheless, in economic terms workers were more privileged than the peasants (while the landlord and business class was not even allowed to exist as a class at all). They were not as well off as the cadres in their workplace, but the inequality between the two social groups would be considered insignificant if compared to the post Deng period. They were far worse off than top ranking provincial and central government officials, but this fact was not a direct reference point for these workers who stayed and worked in their workplace, often for life, and who were accustomed to being told to follow the party's line and ask no questions. Workers did enjoy the right to employment and social security, a higher

living standard. The honorary title of 'leading class' also provided them a relatively privileged social status (for instance, in political movements they were the least vulnerable to repression; in marriage the identity of workers enjoyed obvious advantages), something which they could not even dream of before the overthrow of the KMT (Kuomintang) regime. Although not enjoying real power either at the workplace level or the national level, China's workers enjoyed job security, which meant that they could not be fired either. This put a limit on the power of the party cadres. Workers were also fully aware that they were the only people who created, with sweat and tears, nearly all the industrial wealth of the country. Hence they were deeply attached to their plants, which they helped to create or to sustain, and took very seriously their entitlement to a fair share of the state owned collective property at the plant level. In a word, workers were the least discontented class in Mao's period, and this explains one of the main reasons for the absence of significant labor struggles and especially the aspiration towards founding autonomous labor organizations. There were localized economic strikes during the first few years of the founding of the People's Republic of China, and also during the 'cultural revolution', but their scale was small and even if they became political they were not

able to gain political independence from the top leader Mao Zedong or from the Party as a whole, as was the case later in 1989.

By contrast, in the post Mao period, labor discontent began to rise since the capitalist market reform because the workers felt they were being betrayed and their economic benefits were being eroded. This discontent turned into massive political struggle and independent organizing during the climax of the 1989 democratic movement. It was soon defeated by state repression, and in the remaining 20 years China's workers have been kept in even heavier bondage. This has facilitated the CCP's privatization of the SOEs (State Owned Enterprises). Despite the harsh repression, there were still numerous localized struggles against privatization among the state sector workers. They were followed by spontaneous strike waves among the emerging rural migrant workers.

### **The 1989 democratic movement**

Deng Xiaoping's rise to power in 1979 became a turning point for workers. Since then the market reforms have enriched the bureaucracy and private businesses at the



expense of workers and common citizens. This was also the time when Deng started the first step of shifting the CCP's social base from workers to the newborn entrepreneurs. While the CCP began to attack workers' rights by abolishing the constitutional right to strike in 1982, it also began to introduce revisions of the constitution to support private enterprises and their private property. Since then Deng Xiaoping's agenda of achieving harmonization with global capitalism has been clear. Deng was already preparing his way in 1984 when China signed the agreement with the UK to preserve Hong Kong laissez faire capitalism for fifty years after being handed over to China (in private talks Deng added that HK capitalism could well be extended after that). He also strongly appealed for the nation 'to learn from Hong Kong', by which he only meant learning from HK's commercial skills, not its respect for civil liberties. In 1987 he told an African delegation "do not follow socialism. Do whatever you can to make the economy grow."<sup>3</sup> At the plant level, beginning from 1980's the enterprises reform began to empower the managers at the expense of the workers: work intensity increased, income inequality was greatly extended,

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<sup>3</sup> It is a repressed speech but was reported in Hong Kong last year by the former chief of General Administration of Press and Publication, Dao Daozheng. See Ming Pao, October 14, 2008.

contract labors were introduced, their wages hooked to the performance of the enterprises etc. In the late 1980's, the rush to market reform, accompanied by a steep rise in consumption among the bureaucracy, made the economy overheat, creating inflation. As part of the market reform, the price reform created two pricing systems, the 'planned prices' and the 'market prices', which gave the officials, known as *guandao* (literally meaning officials-speculators), the opportunity to buy valuable products at the lower 'planned prices' and resell them at the higher 'market prices'. Meanwhile, nearly all levels of state department set up different kinds of companies to make money as well. The bureaucracy was beginning to transform itself into capitalists. This enraged the people who rose in protest against the government in 1989.<sup>4</sup>

### **Workers' participation in the 1989 democratic movement**

*"The Beijing Democracy Movement did not just shake the country; it shook the whole world. Apart from extreme*

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<sup>4</sup> For a more detail account on the reform background of the 1989 democratic movement, read part four of the book *The Deng Xiaoping era: An Inquiry into the Fate of Chinese Socialism 1978-1994*, by Maurice Meisner, Hill and Wang, 1996.

*frustration and great grief for those fighters and innocent ones who lost their lives, we did feel that this was yet another occasion when the Chinese people had risen up.”<sup>5</sup>*

This is how the 1989 democracy movement was described by an ACFTU (All China Federation of Trade Unions) trade unionist, who had been a supporter of the movement, after its suppression. The comment suggests the potential strength of the movement. At its height the democracy movement began to form a serious challenge to the legitimacy and authority of the CCP (Chinese Communist Party) as a regime able to act on and represent the interests of the working class. Such a challenge was only possible due to the participation of hundreds of thousands of workers.

Although generally known as a student movement, the significance of workers' participation in the later stage, leading to independent workers' organization, is often overlooked. This was a new development, which alarmed the CCP, and was one of the reasons for its crackdown on the movement on June 4th. The suppression and defeat of

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<sup>5</sup> *A Moment of Truth, Workers participation in China's 1989 Democracy Movement and the Emergence of Independent Unions*, Hong Kong Trade Union Education Centre, Hong Kong, 1990, p94.

the workers' movement kept the Chinese working class atomized and demoralized in the ensuing period, and greatly facilitated the CCP's move towards its great leap forward to harmonize with global capitalism since 1992. This has resulted in privatization, the sacking of SOEs workers and the transformation of 150 million 'peasants' into cheap labor.

The democracy movement began in mid April, following the death of Hu Yaobang on the 15<sup>th</sup>, when students in Beijing began protests against corruption and official profiteering and demanded democracy. Many workers visited Tiananmen Square to listen to the students' speeches. At the beginning workers mostly visited the square spontaneously in a supporting capacity. Being able to identify with what the students were saying, they wanted to express their support for the students and their demands. In the words of one worker when asked why he became involved in the democracy movement, "*The students were criticizing the corrupt government and they voiced what we workers wanted to say.*"<sup>6</sup> Many became especially outraged when some of the students who were

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<sup>6</sup> *A Moment of Truth: Workers' Participation in China's 1989 Democracy Movement and the Emergence of Independent Unions*, Hong Kong Trade Union Education Centre, Hong Kong, 1990, p25.

staging a sit-in were beaten up by the police on the 19<sup>th</sup> April.

Workers soon began to join in with the debate initiated by the students. With the help of their *Dazibao* (big character posters), leaflets and public speeches they brought class insight to the movement. The students had largely confined themselves to demanding civil liberties. In particular they demanded freedom of speech, an end to corruption, dialogue with the authorities, and last but not least, a just appraisal for Hu Yaobang. As early as the 18<sup>th</sup> April a worker wrote an open letter to the students:

*“You must win over the support of the broadest mass of workers, peasants, soldiers and street vendors. How? First one must not only emphasis the salary of the intellectuals and the issue of increasing the education budget; one should also stay away from merely appealing for empty democratic slogans. This will affect the relationship between the students and workers/farmers, and will be harmful to their solidarity.*

*We need to tell workers, farmers and soldiers that the ‘ownership by the whole people’ in practice means ownership by a minority of overlords. The wealth created*

*by workers and peasants has been consumed by these people. They called us ‘guojia zhurenweng’ (masters of the country), yet the masters live in small apartments with their parents and children, while the ‘public servants’ build villas for themselves...Is there any difference between these people and feudal overlords?*

*We need to build a sound democratic regime with freedom of speech, an independent judiciary, and free elections.”<sup>7</sup>*

On the 17<sup>th</sup> April a few workers including Liu Qiang (printer), Han Dongfang (railway worker), He Lili (lecturer at Beijing Workers University) had taken the initiative to begin to organize themselves and had formed the preparatory committee of the BAAF (Beijing Workers’ Autonomous Federation). As well as wanting to organize to protect the students they felt that the workers should also raise their views. They made public speeches condemning the attack on the students and called on the workers to organize. They also made visits to factories and mines to publicize their policies and to encourage workers

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<sup>7</sup> *Zhongguo minyun yuanziliao jingxuan* (Selected Original Documents of China Democratic Movement), vol. 1, October Review, June 25, 1989, p. 33.

to join the Federation. The BWAF's demands included wage increases, price stabilization and the publication of the incomes and possessions of government officials and their families.<sup>8</sup>

The committee was determined that the organization was to be a workers organization and only allowed workers to join. As Liang Hong, the captain of Supplies Division of the BWAF, explained:

*“We decided that only workers might join and we checked their identity cards as well as their work cards. We issued our own BWAF identity papers to ensure the integrity of the Federation.”*<sup>9</sup>

Members also had to pay membership dues and pledge to observe the constitution and law of the state, abide by the organization's regulations and work for the interests of the

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<sup>8</sup> *A Moment of Truth: Workers' Participation in China's 1989 Democracy Movement and the Emergence of Independent Unions*, Hong Kong Trade Union Education Centre, Hong Kong, 1990, p183.

<sup>9</sup> *A Moment of Truth: Workers' Participation in China's 1989 Democracy Movement and the Emergence of Independent Unions*, Hong Kong Trade Union Education Centre, Hong Kong, 1990, p2.

entire working class.<sup>10</sup> Thus the organization was to be a law abiding organization with the aim of serving the working class. It drew up a set of regulations for its members to abide by and established committees to assist the carrying out of its operations.

On 26<sup>th</sup> April, in response to the students' demands for dialogue, the People's Daily released an editorial condemning the democratic movement for leading to riots. This triggered off outrage among the students and also Beijing citizens. The next day 200,000 students demonstrated, while a million Beijing residents stood on the sidelines to applaud them. It was not until 13<sup>th</sup> May when the students decided to stage a hunger strike, however, that workers began to join in the struggle in any great numbers. On the 15<sup>th</sup> May 600,000 took to the street. A further 200,000 students and workers demonstrated again the following day. Between the 17<sup>th</sup> and 19<sup>th</sup> May millions demonstrated in support of the students. Teams of workers carried banners which marked the names of their workplace. 200 workers from the Capital steel mill

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<sup>10</sup> *A Moment of Truth: Workers' Participation in China's 1989 Democracy Movement and the Emergence of Independent Unions*, Hong Kong Trade Union Education Centre, Hong Kong, 1990, pp202-204



carried banners which read ‘Support the students’, ‘Why is the Premier not responding to the students?’. The East Wind TV factory workers’ banner read: “we won’t build any more TV sets until the *guandao* fall!”<sup>11</sup> One of the workers, when interviewed by the press, said that the TV set they built had been taken by the princelings to resell and profit from this. Slogans also included “Down with Li Peng”, “Down with Xiaoping”, “Our Students are starving, what are you and your children eating?”

Many had realized that the official trade union the ACFTU was so tied to the CP that it was powerless to represent them either. According to one former BWAF member, tickets for movies were the only activity organized by the ACFTU.<sup>12</sup> So the workers decided, for the first time since 1949, to set up their own independent workers’ organizations to defend their interests and to fight for their rights. Heavily under pressure from their own members, the ACFTU also donated 100,000 RMB to the students. Cadres from the official trade unions took part in demonstration to express

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<sup>11</sup> *Newspaper Front Pages on the Democratic Movement of China*, China Democratic Movement Resource Centre, June 1989, p. 209.

<sup>12</sup> *A Moment of Truth: Workers’ Participation in China’s 1989 Democracy Movement and the Emergence of Independent Unions*, Hong Kong Trade Union Education Centre, Hong Kong, 1990, p54

solidarity with the students. A petition letter, signed by ‘a section of the cadres of the ACFTU, a section of grass root cadres of the ACFTU and a section of teachers and students of the Labor Movement College, had this to say:

‘We demand that government:

1. Admit that the student movement is a democratic and patriot movement; Dialogue now.
2. Allow freedom of the press and association, guarantee the right to be informed, the right to monitor the officials and the right to participate in political decision.
3. Punish the corrupted officials, promote political reform.
4. Reform the official trade union; realize self management for the union.’ (slightly abridged) <sup>13</sup>

In the course of radicalization among working people the issue of the way that they were exploited by the bureaucracy was raised. In a letter addressed to the whole nation on the 17<sup>th</sup> May the Beijing BWAF expressed their criticism and understanding of how the Chinese working class was being exploited by the Communist Party

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<sup>13</sup> *Newspaper Front Pages on the Democratic Movement of China*, China Democratic Movement Resource Centre, June 1989, p. 192.

bureaucracy:

*“We have carefully calculated the exploitation of the workers. Marx’s Capital provided us with a method for understanding the character of our oppression. From the total value of output we deducted the workers’ wages, welfare, medical welfare, the necessary social savings, equipment depreciation and reinvestment expenses. Surprisingly, we discover that “civil servants” swallow all the remaining value produced by the people’s blood and sweat!”<sup>14</sup>*

In a further letter that was distributed by the Beijing BWAf in the middle of May they recognized that, *“The people constitute the majority. It is the autocrats who are a handful. If we, the workers, are bold enough to stand up and take a step forward, the dust we kick up can hurl the autocrats into hell.”<sup>15</sup>* They called on compatriots to

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<sup>14</sup> *A Moment of Truth: Workers’ Participation in China’s 1989 Democracy Movement and the Emergence of Independent Unions*, Hong Kong Trade Union Education Centre, Hong Kong, 1990, p185.

<sup>15</sup> *A Moment of Truth: Workers’ Participation in China’s 1989 Democracy Movement and the Emergence of Independent Unions*, Hong Kong Trade Union Education Centre, Hong Kong, 1990, p191.

*“unite to build a system which is guided by an honest and incorruptible Chinese Communist Party, one which has the Chinese proletariat as its mainstay, one which is anchored by all patriots at home and overseas.”<sup>16</sup>*

Throughout May the BWAF organized many meetings on relevant issues such as the productivity of the nation, the promotion of export earnings, workers’ welfare, human rights, democracy and freedom. Over the course of the next few weeks the organization grew. It developed into a workers’ current with 100 core activists and claimed to have 2000 members. Later it claimed a membership of 10,000. When the students began their hunger strike the BWAF brought medicine, food and water for the Students Autonomous Federation. They also organized workers’ marches in support of the students.

Many workers became increasingly more involved as the movement developed. The story of a female worker, interviewed about her participation in the movement later in the year, provides one example. Inspired by what the

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<sup>16</sup>*A Moment of Truth: Workers’ Participation in China’s 1989 Democracy Movement and the Emergence of Independent Unions*, Hong Kong Trade Union Education Centre, Hong Kong, 1990, p192.

students were saying as a result of having gone to listen to their speeches at Tiananmen Square on a number of occasions, she joined the march on the 16<sup>th</sup>. She tells of how she followed the Capital Steel workers' banner at the demonstration because they were workers and so "*would voice the opinions of workers.*" She then returned and joined in the processions on the following days. On the night of the 19<sup>th</sup>, on hearing that martial law would be imposed, she and her friends stayed on the Square, along with the many other people who had also heard the news, to lend their support to the students; "*we all stayed there for mutual support, the power of the people would be greater than the students alone, and would be sufficient to defend Tiananmen Square.*" On May 26<sup>th</sup> she joined the BAAF, having first met them when they were giving support to the students on hunger strike. She then became involved with the broadcasting of their announcements at Tiananmen Square up until the suppression of the movement on the 4<sup>th</sup> June.<sup>17</sup>

It was not only in Beijing that workers participated in the

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<sup>17</sup> *A Moment of Truth: Workers' Participation in China's 1989 Democracy Movement and the Emergence of Independent Unions*, Hong Kong Trade Union Education Centre, Hong Kong, 1990, pp41-61.

democracy movement. Huge demonstrations with workers participation soon erupted in most other big cities including Shanghai, Guangzhou, Hangzhou, Nanjing, Xian, and Changsha. Workers' Autonomous Federations were also established in several cities although this happened spontaneously and there was no major attempt to unite the organizations. One example comes from Guangzhou where, according to one former BWAF activist, people had heard about the student protests through the local media, Hong Kong radio stations and Voice of America. They set up a Workers' Support Group to organize support for the Beijing students and to oppose the military curfew. It was the imposition of martial law that had made people become increasingly angry and led them to march in the streets spontaneously. It was also what prompted them to start thinking about the need to organize, leading them to take the decision to establish a Workers' Autonomous Federation. The activist recalls how:

*“Our aim was to work for interests of workers and the country, to promote democracy, etc. In society, there exists no organization that can engage in a dialogue with the Communist Party or even make suggestions to it, and so we wanted to set up such an organization to oppose*

*dictatorship and to voice some alternative views on various aspects of our society.”*

*“I felt that if similar autonomous unions were set up all over the place they would become a formidable political force if they could come together; a force which would destroy the dictatorial and autocratic system.”<sup>18</sup>*

On the 19<sup>th</sup> May the Beijing BWAFF announced its official founding and declared that if the students’ demands were not accepted by the Politburo within twenty-four hours then a one day general strike would begin. The Politburo did not accept the students’ demands. Instead the government declared martial law and announced the bringing in of troops and tanks to the city. This measure led to a quasi-revolutionary situation in Beijing. Over the next couple of days a million took to the street again to defy the martial law. The BWAFF set up Dare-to Die Teams and called on its members to block military trucks and armed forces from entering the city.

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<sup>18</sup>*A Moment of Truth: Workers’ Participation in China’s 1989 Democracy Movement and the Emergence of Independent Unions*, Hong Kong Trade Union Education Centre, Hong Kong, 1990, pp75-86

The sharpening of the conflict between the CCP and the demonstrators quickly politicized the workers and the BWAF. On 21<sup>st</sup> May the BWAF issued a ‘Workers’ Manifesto’ which declared:

*“The proletariat is the most progressive class in society. We have to display our strength as the central force within the Democracy Movement. The working class is the vanguard of the People’s Republic of China. We have every right to expel dictators. Workers know full well the value of knowledge and skills in production. Thus we should allow no harm to come to any of the students nurtured by our society.”*<sup>19</sup>

While the workers were becoming more and more radical, the students remained suspicious of them, believing that the intervention of workers might damage the supposed purity of the students’ action. On the 17<sup>th</sup> April, when the preparatory committee of the BWAF had formed, their request to station themselves inside Tiananmen Square where the students had occupied was refused, and they were treated with suspicion. On 19<sup>th</sup> May, when the

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<sup>19</sup> *A Moment of Truth, Workers participation in China’s 1989 Democracy Movement and the Emergence of Independent Unions*, Hong Kong Trade Union Education Centre, 1990, p. 188.



BWAF threatened to launch a strike, the Beijing College Students Autonomous Association released a statement appealing to the workers not to strike. It was only towards the end of May, when the government's violence began to escalate, that the students allowed the BWAF to set up inside the Square. The fear of repression began to change many students' minds, and collaboration in resistance between student organizations and the Beijing BWAF began. Generally, however, the two social groups were unable to forge a firm alliance because of the reluctance of the students.

Meanwhile, although there were talks of preparation for strikes by the BWAF, they also had some disagreements amongst themselves. It was reported in the press that the Capital Steel Mill workers had founded their own WAF and were prepared to strike if the army opened fire on the students. In other words, although there were lots of talks to prepare for strikes, a general strike never materialized. If there were strikes they were not a result of coordinated action. Yet, many factories had encountered the stoppage of production, or at least its significant decline, since so many workers had gone to demonstrate, and those who stayed at work became more interested in debating among themselves. The

government tried hard to stop workers from taking part in demonstrations. Towards the end of May the Beijing municipal government instructed all the enterprises to deduct the wages of those who participated in demonstrations. This explains a temporary decline in the number of workers participants.

Beginning with party secretary Zhao Ziyang's resignation (which was rejected by the party) on 19<sup>th</sup> May, the hardliners, with Deng Xiaoping and Li Peng at their head, began preparing for a crackdown towards the end of May. On the 3<sup>rd</sup> June, the Beijing ACFTU released a statement denouncing the WAF as counter-revolutionary and appealed to the government to ban it. On the same day, following the BWF's call for all workers in the capital to go on strike the next day, troops began to advance into the capital. Hundreds of thousands of workers and students responded by trying to use their bodies to block the 100,000 troops from entering Beijing. Thus when the workers rose up in support of the students, by threatening to withhold their labor on mass through a general strike, the state feared that it might lose control and responded with a massacre.

The crackdown on June 4th ended all resistance. Severe

repression followed in which worker activists were generally much more severely repressed than the students. While students were sentenced to jail, at least 27 workers activists were executed in June alone, 14 of them were BWAFF members. It was followed by a national purge led by the ruling party, targeting not only cadres in the political institutions but also covering those in the 'mass organizations', the ACFTU included.

The movement was ultimately defeated because it hadn't counted on and was not prepared for the government's violent response to its actions. Workers' participation in the democracy movement had only become so prominent late in the day. It was still a young movement, largely spontaneous and lacking in experience. Nevertheless the social and political demands raised by the workers posed a serious threat to the legitimacy of a regime supposedly representative of the working class. Rather the working class was coming to understand the CCP as its oppressor. The workers' movement was never the pro-capitalist counter-revolutionary movement that the CCP presented it as; this movement, or at least its most advanced section, aimed at keeping the state owned property intact, while driving out the bureaucracy:

*“This country was built by us workers, by the effort and labor of all mental and physical laborers. We are the master of the house and this is beyond question. What course this country should take must first consult us. We would never allow them to turn the dictatorship of the proletariat into dictatorship over the proletariat! We would never allow a handful of scum of our nation and scum of our class to suppress the students, killing off democracy and trespasses on human rights in our name!... For the sake of the course of socialist reform, for the sake of our democratic patriotic movement, and for the sake of our next generation to breath freely after the wiping out of the despotism of Stalinism, ...we appeal to our overseas country people to act immediately...to support the democratic patriotic movement.”*

*(“To Overseas Fellow Country People”, 26<sup>th</sup> May)<sup>20</sup>*

No further such political actions have been taken by workers since 1989. It was only after the crackdown that individual members of the WAF (and the major student leaders) who fled from China became disillusioned with socialism and wished for a turn to capitalism. It is

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<sup>20</sup> *Zhongguo minyun yuanziliao jingxuan* (Selected Original Documents of China Democratic Movement), vol. 2, October Review, November 1989, p. 44.

ironical that after accusing the rebelling workers and the BWAFF of being anti-socialist and counter-revolutionary, the CCP has orchestrated a harmonization with global capitalism and turned China into a mega sweat shop. The brutal suppression of the crackdown itself has itself become a ‘model’ for repression of resistance in the ensuing period. It is not surprising to see how during the 2002 Daqing Oilfield workers’ protest, the authorities sent in tanks to the outskirts of the city to make the workers cower into submission. Similarly during the Shawei village protests the authorities opened fire on the protestors, killing at least three, perhaps more than 20, villagers.

### **The struggle against privatization**

The CCP was particularly alarmed at the fact that huge numbers of workers came out to support the students’ demand for basic democratic rights. After the crackdown, the CCP could no longer take workers’ tacit consent to CCP’s leadership as granted. The social base of the CCP decisively shifted from workers to entrepreneurs. It decided to privatize considerable numbers of the SOEs (State-Owned Enterprises), both to enrich the bureaucracy and the new class of entrepreneurs, and to inflict a second

fatal blow to the workers in the state sector.

In 1992 the 14<sup>th</sup> Congress of the CCP inaugurated the construction of a ‘socialist market economy’, which amounted to giving the green light to privatization or the commercialization of SOEs. In 1996 the CCP launched the policy of ‘retaining the large (SOEs), letting go the small’. In practice even many medium SOEs have been ‘let go’ (i.e. privatized) as well. A great wave of dismissals began. For big SOEs, even when they remained in the state’s hands, they have been restructured as commercial entities whose ultimate purpose is making profit. Hence they too have undergone huge downsizing. In many cases the SOEs were deliberately run badly and then made bankrupt so as to get rid of workers and allow the management to plunder their assets. Between 1996 and 2005 a great wave of privatization hit the workers hard in both state and urban collective enterprises (considered as quasi-state owned).

More than 60 million workers in the state and collective sectors were sacked, a scale never seen in history. In 2003, the active urban working population had grown to 200 million, and its composition had changed greatly. The number of workers in SOEs shrank from 112 million in

1995 to 69 million in 2003. In the same period the number of workers in urban collective enterprises declined from 35.5 million to 9.5 million.<sup>21</sup> At the same time, the flourishing private sector led 120 million poor rural residents to leave their land and roam the country as migrant workers in search of employment. The overwhelming number of them ended up working in private enterprises with wages so low that workers are barely able to sustain themselves, and with little social security. The great social transformation of destroying good jobs and creating bad jobs represented great social regression. Meanwhile, the old working class was “restructured”, meaning that today it has shrunk to a minority, alongside a new working class composed of rural migrants. The Chinese working class now consists of two major sectors: the state and the private sectors. Although the downward pressure in wages and working conditions are largely applicable to both sectors, the private sector is even worse than the state sector.

Gone was the honorary title of ‘*zhurenweng*’ and ‘leading class’. Workers have now become second-class citizens, and rural migrant workers come in third. In spite of this,

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<sup>21</sup> *China Statistical Abstract*, 2004, China Statistics Press, p. 41.

there has been virtually no political opposition from the workers; the defeat in 1989 still weighs heavily around their neck. Even resistance to privatization which is confined to single plant often draws harsh repression. At the height of the struggle against privatization in the Zhengzhou Paper Mill (see below), the police, using loud hailers, yelled this at the protesting workers:

*'We suppressed the movement in Beijing in June 4 1989! It was a big movement but we could still make it. You, you are just a handful of people!'*

When there were resistance against privatization it were usually too late. This was because workers had developed a mixture of trust and dependence on the party state, a result of the development of a 'socialist' corporate state, which provided job security and welfare to them. Even when they became aware of the privatization which befell their plants, they were, in general, only able to oppose it at that level. Rarely were they able to oppose it on a national policy level (which is something that also made the Zhengzhou Paper Mill case so special). Surely the 1989 defeat had largely pushed all workers' political imagination and articulation to the background, and they had no idea of opposing the official line of 'market



socialism' and 'reform' (which in practice meant privatization or capitalism) with an alternative. Hence they were so confused as to lose the ability to think and act in time. In addition to this they were also dominated by a mentality, which conceived that it was chiefly the fault of local cadres rather than the Central government, and that if only the Central government was alerted and intervened, things would have been different. This kind of mentality was partly a result of demoralization, but also part of a legacy from Chinese culture where the emperors were always conceived as benevolent and it was the bad ministers who stood in the way. Hence the first step of resistance that workers took was always petitioning Beijing, which, for workers from outside Beijing was both time consuming and expensive. Moreover, even when workers acted, state repression made sure that resistance was confined to single plants. Generally, although it has not usually worked, workers have therefore pursued a strategy of limiting their actions in order to try to avoid such repression.

In the face of such a tremendous social regression, women workers are especially hard hit. As early as 1987, when the first wave of downsizing in the state sector began,

women workers accounted for 64% of those sacked. Accompanying the downsizing was a fierce propaganda campaign to tell women workers to go home, a place where they should stay. The elite claimed that the ability to bear children made employing women economically unviable. Not only were women workers sacked, but young women, including recent college graduates, have been repeatedly rejected even for interviews simply because they were women. Even if they were able to find employment women's wages were lower than those of men. A National Survey in 1988 showed that urban women's wages was 84% of men's; in 1990 it was 77.5%, and in 2000 it had fallen even further to 70.1%.<sup>22</sup> In the northeast, once a major industrial center but then under depression because of the great restructuring, unemployed women workers often became sex workers in order to raise their families. For each transaction they may only receive 50 RMB because of fierce competition. In October 2002, 200 sacked women workers from a steel mill in the city of Long Yan, Fujian province, marched under a banner which read 'Too early to retire, too old to

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<sup>22</sup> *Jingji zhuangui zhong de zhongguo nüxing jiuye yu shehui baozhang*, (China Women Employment and Social Security under Economic Transition), Pan Jintang, China People's University, Management World, Issue 7, 2002.

be a whore!’<sup>23</sup>

Workers did resist the privatization onslaught with protests of a significant scale in the later half of the 1990’s. In 1998 the then President of the National Political Consultative Conference was reported as saying that when he made tours to provinces he tried to avoid visiting government departments through the front doors, as they were blocked by worker protestors.<sup>24</sup> Although these kinds of protests were probably common, a greater number of sacked SOEs workers did not put up any serious resistance. Due to censorship no one knows the real situation across the nation. It was only possible for a small amount of news to leak out and be reported in Hong Kong or overseas. It was not until the turn of the century when access to internet became more affordable that the SOE workers’ fight back became known to the public. Since then it is not uncommon to see protesting workers posting their cases to the internet. The turn of the century was also a period when the fight back began to escalate both in numbers and in organization, and sometimes even led to the occupation of workplaces and imposition of

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<sup>23</sup> Ming Pao, Hong Kong, 25<sup>th</sup> October, 2002.

<sup>24</sup> Ming Pao, Hong Kong, 29<sup>th</sup> April, 1998.

workers self management, as the November 1998 Luoyang Cement factory case and the 2004 Chongqing 3403 Factory case show (see below). Since the beginning of the 21st century workers protests have tended to be more organized, but largely remain localized and confined to individual factories. Most of them are defeated, or at most have only won partial victories.

**Transforming an official workplace union into workers union: the 2000 Zhengzhou Paper Mill workers' struggle<sup>25</sup>**

There were some successful cases of resistance against privatization, however. One example is the 2000 Zhengzhou Paper Mill workers' struggle. What is more the workers there successfully transformed the official union into a genuine one. They did the same to the party controlled SWRC (Staff and Workers Representative Council).

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<sup>25</sup> The sources of this case mainly came from reports the workers or their supporters posted on the internet, which today largely disappear. There is some still exist, though: <http://www.maostudy.org/2000-10/henan1.txt>, accessed 23th December 2009.

The national and provincial ACFTU has never played any role in resisting privatization. On the contrary, it has either helped the party secretary to carry the privatization through, or has simply folded its arms and watched. At a workplace level, things are more complicated, but generally it does not perform much better there. As to the SWRC, their fate has been similar to the ACFTU; it has largely failed to function as a workers' institution at all. Yet things might turn out differently if workers fight hard and organize well. This has not been common but neither has it been impossible at a workplace level. The ultimate outcome has been determined by the relationship between the forces of the enterprises concerned, shaped by the concrete history of the enterprise and its development of a workers' tradition over decades.

The state-owned paper mill located in the city of Zhengzhou, and had around 2000 workers in the year 2000. Up until 1988 when the old manager was sacked and replaced by corrupt people, it had been quite prosperous for many years. Since then it was continuously plundered by the new managers, and eventually its book turned red. In April 1995 the mill was ordered by the Municipal government to stop production because of pollution, and workers were '*xiagang*', meaning that they had no work to

do but had not yet severed employment with the mill. Workers received no wages from then on. In July 1996 the new manager Chen Wenhui, after unsuccessfully selling the mill's warehouse due to workers' action, successfully sold the mill to Fenghua stock holding company. In October 1997 the company, in its negotiation with the municipal government, promised the mill workers new investment and the resumption of production, payment of wages in arrears etc. In November the mill's SWRC was convened, and delegates happily endorsed the takeover plan. In August 1998, the municipal government endorsed the taking over of more than 100 million of RMB of the mills assets by Fenghua, and Chen became the general manager of Fenghua. Between late 1998 and late 1999, Chen secretly mortgaged the Mill's land to the bank, and sold millions of RMB of its assets at rock bottom price. In August 1999 Chen revealed his plan to redevelop the mill into a residential area. Workers were now well aware that they were being cheated, hence they soon began to organize through the mill's trade union structure, conducted a serious investigation into the deal, and petitioned government departments and high officials more than 200 times. They strongly demanded the cancellation of the deal. In October a task force was founded by the government and soon it officially backed

the deal, declaring that ‘the country’s reform shall not be backtracked’. In late October Chen convened the SWRC and tried to manipulate it, but delegates responded with a vote of 50 to 5 to pass the resolution demanding immediate termination of the deal. Ten days later all workers returned to the mill and expelled the whole management of the Fenghua Company, though later the management was able to resume power. On November 12 worker delegates of the SWRC found out about Fenghua’s plan to sell the entire mill’s land. The workers acted quickly. In the name of the SWRC they took over the land certificate of the mill from the land registry. On 7<sup>th</sup> June, 2000 the workers returned, expelled the management for the second time, took control of the mill and resumed production. They organized a new leadership, which included the assistant chief engineer Li Jiaqing and the retired and popular woman worker Liu Yurui. Meanwhile the government was planning retaliation. On 7<sup>th</sup> August Li Jiaqing was arrested. The next morning the government’s task force ordered 500 police to surround and then break into the mill. There were only 40 workers inside. They resisted the attack but in the end they failed and were heavily beaten up. One worker was arrested.

The factory was then occupied by police and the task force

convened the SWRC in order to force the workers' delegates to endorse the deal. It failed. The municipal government then reorganized the task force and gave up any hope of reviving the deal. The workers retook the mill and on September 16 they formed a new leadership of the trade union branch of the mill with Liu Yurui as chairperson. In January 2001 the municipal government finally yielded to workers, cancelled the deal, and handed over management to the workplace union. On 9<sup>th</sup> January 9 workers officially took over the mill. They demanded that the mill be returned to the state's hands but the government refused and successfully persuaded the workers to set up their own company. In 2002 the SWRC was convened and founded a new company. The event had big repercussions. . In the few years that followed the government's conceding to the workers' struggle, a dozen SOEs in Zhengzhou cancelled their privatization deals.

Meanwhile the municipal government refused to release the two arrested workers. The prosecutor still went ahead to charge them for 'disrupting social order' and on 13<sup>th</sup> February, 2000 the court began to hear the case. On the day the court was crowded with workers, and when Li Jiaqing appeared he was greeted by workers with the slogan 'long live Li Jiaqing!' He was in bad shape but still



had high morale. In his cell he wrote a letter to Liu Yurui, which showed his deep attachment to his factory:

*'I heard that the collective property of us workers --- that we bled and sweated for ---has been returned to us. I heard that all the workers shed their tears upon hearing the news. I am being jailed in this cell with four high walls, but I am moved as well....This property is created by hundreds of workers through more than 40 years of sweat. Five or even six workers have now passed away. Their souls are still watching us to see if we can save our property. We cannot let them down.*

*I have been with the factory for 30 years. I hope I can do something to save the plant in the last stage of my life.....I am prepared to be sent to the jail vertically and sent out horizontally. When people no longer have regards of their lives, no evil can defeat them.*

*I prophesied that those privileged swindlers, having failed to seize our factory, would take revenge on us by prosecuting me, in order to do away with the honor of the proletariat of this mill.'*

Subsequently the charges against Li were dropped and he

was later released.

### **Cross factory solidarity: the Liaoyang Metal Factory Struggle<sup>26</sup>**

The first reported effort in forging cross factory organization and joint struggles was the 2000-2 Liaoyang case. This is rare because of the risk involved: the CCP hates any idea of cross factory solidarity. The city of Liaoyang, located in Liaoning province, is an important industrial base in north east China. Liaoyang Metal Factory had 8,300 workers. It had been doing fine until 1998. Workers believed that the management had deliberately run the factory in an inefficient way in order to bankrupt it. They petitioned Beijing in 2000 but got nothing. In November 2001 the factory was officially declared bankrupt. The workers responded with a demonstration in March 2002. On the morning of 11<sup>th</sup> March, 5,000 workers demonstrated in the open streets, carrying with them the portrait of Mao Zedong, and

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<sup>26</sup> The Human Rights Watch published a report on workers unrest in Northeast China in 2002, which carried a section on the Liaoyang case: <http://www.hrw.org/en/reports/2002/08/02/paying-price>. See also Workers Democracy website: <http://www.xinmiao.com.hk/sim/index.html>

demanded payment of wages and an investigation into the factory's bankruptcy. The demonstration continued into the second and third day, and the number of participants rose to more than 10,000. This was because the factory workers were joined by workers from six other factories, which had suffered more or less the same fate as the Liaoyang Metal Factory: a textile mill, a piston ring factory, an instrument and meter plant, a leather plant and a precision component factory.

The workers showed a high level of organization throughout the struggles. The petition to Beijing in 2000 was the first effort in organizing, because it needed to raise a lot of money among workers. Activists visited fellow workers in the community to persuade them of the need to fight against the corrupt management and to get back their wages. In May the workers convened the SWRC to elect the delegation to petition. SWRC delegates were elected in seven different communities, with two delegates for each community. Eventually the SWRC elected a delegation of 32, and among them ten were to be sent to Beijing. The delegates knew very well that they were being closely monitored by police and spies. Hence they developed a way to get around the surveillance: there was division of labor between the two delegates for each

community, namely one would be at the forefront and the other would be clandestine, doing dangerous work such as the printing of handbills. The latter would also act as an alternative delegate who would take up the first delegate's work when he/she was arrested. For each action they took, the delegates would first paste up handbills in the community to consult the workers, making amendments to their demands and action plan in accordance to the public opinion of the workers. Individual delegates might be bought over by the management, but the majority of them were able to stand firm.

This high level of self organization and the workers' success in united action with six other factories workers greatly alarmed the authorities, who decided to crack down on the workers before it was too late. Between 17<sup>th</sup> and 20<sup>th</sup> March, 2002, the authorities arrested four worker delegates: Yao Fuxin, Xiao Yunliang, Wang Jiaoming, Pang Qingxiang. A year later they were found guilty of 'subversion', and were sentenced to four to seven years in jail.

Although the workers were not able to achieve all their objectives, their action did allow them to seize considerable concessions from the authorities. After the

March 2002 action the municipal government started to pay back the wages to workers in two installments, and it also paid back 20 million RMB to cover workers' medical bills and other benefits. It had also become more accommodating towards workers' grievances, as long as they did not challenge the bankruptcy of the plant. One of the workers drew the following conclusion from the struggle:

*'Big struggle, big gains; small struggle, small gains; no struggle, no gain.'*

In the aftermath of the struggle some workers summed up their experience as follows:

*It was a mistake for us not to organize fight back at the very beginning of privatization. Then the factory's asset was plundered step by step until nothing was left and bankruptcy fell upon all of us. It wasn't until that moment that we thought we had seized hold of enough evidence of corruption, but at the same time it was already too late to launch any effective fight back. The swindlers had already built up their supportive network or shifted to other cities to do their business. For the mass of workers they then knew very well that their struggle would not be very*

*fruitful anyway, and we could only limit ourselves to getting back what the management owed us. This inevitably limited the dynamics of the struggle. Although workers were motivated by anger and the movement had been solemn and stirring, it had not changed the fact that workers had been thrown into passivity.*

### **Independent organizing: the Daqing Oil Field Struggle<sup>27</sup>**

The 2002 Daqing Oil Field workers struggle was also important not only for its size and duration, but also for its organization. Daqing oilfield is the largest in the PRC. It is located in Heilongjiang province and is now the subsidiary of Sino Petroleum, which is itself a product of the great restructuring. Up until the late 1990s the oilfield had enabled China to be self sufficient in its oil supply for decades. China accession to WTO in 2001 was conditioned upon the opening of basically all important branches of its economic sector in 2007, including oil.

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<sup>27</sup> Personal interviews and internet materials. The China Labor Bulletin carries reports on the case:

<http://www.china-labour.org.hk/en/>

See also Workers Democracy website:

<http://www.xinmiao.com.hk/sim/index.html>

Hence Beijing started a deep restructuring of the oil industry in order to make it competitive with foreign oil giants. Immense downsizing was on the agenda, which subsequently led to as many as 600,000 oil workers being sacked within a few years at the turn of the century.

On 1<sup>st</sup> March, 2002, 3,000 oil workers demonstrated in front of the managing bureau of the Daqing oil field and at point broke into it. In the following days the workers actions continued to escalate, and at peak time more than 50,000 demonstrated openly. The actions in the square of Tieren lasted for more than four weeks. It is worth mentioning that the prolonged action, the massive scale of mobilization, was organized by the Provisional Committee of the Trade Union of Sacked Daqing Workers, even though it had not publicly appeared.

The workers demanded the repeal of the downsizing and re-employment. The climax of the one month long struggle was on 4<sup>th</sup> March when 20,000 workers first assembled in Tieren square and then marched to the railway station to block the trains.

The organizers of the actions had not shown their faces but one could feel their presence when from time to time new

handbills would appear and were distributed to protesting workers in the square. On 20<sup>th</sup> March a new handbill appeared raising new demands:

*We demand that:*

- 1 It is our legitimate right to petition to higher authority.  
No police surveillance!*
- 2 The managing bureau must begin dialogue with all sacked workers.*
- 3 Fully protect the personal safety of our representatives and their legitimate rights.*
- 4 Workers must be kept informed about the whole process of dialogue.*
- 5 The managing bureau to bear all responsibility for anything that happens if they turn down our demands.*

In response to the workers' petition to Beijing, an investigating team of the State Council arrived at Daqing and on the 25<sup>th</sup> March expressed open support for the authorities. Meanwhile the provincial trade union also declared that the workers' initiative to organize an autonomous trade union was illegal:

*Trade union branches must be organized by upper level trade unions. We cannot accept any branch which is*



*founded autonomously. Besides, these workers had already been dismissed. They are not entitled with the rights to organize a trade union branch.*

On 26<sup>th</sup> March the organizers of the demonstration responded with a new handbill and had the following to say:

*The authorities claimed that downsizing will lead to increased efficiency. No more and no less, it only speaks for the fact that you people are simply incompetent! Only when you people can increase efficiency without downsizing workers, can you prove your ability.....*

*Your superiors grant you people with a high position only because they want you to be competent. Now that you people are enjoying good houses with more than 200 square meters of space, dining in good restaurants and spending hundreds or even thousands of RMB per meal, traveling in nice cars which are worth hundreds of thousands of RMB, earning millions of RMB in bonuses, meanwhile thousands of sacked workers have to worry about their very existence and livelihood. How can you possibly remain entirely indifferent?*

The success of the struggle very much depended on whether the dismissed workers could earn the active support of workers on the job. The latter, however, though very sympathetic towards the struggle of the dismissed workers, did not support their dismissed colleagues, obviously out of fear of dismissal too. Most jobs in Daqing were oil related; therefore it was normal to have all adult family members working for Sino Petroleum. If those on the job also got sacked, the whole family would be jeopardized. For many families it was a kind of division of labor: those on the job should lie low, only those who lost the jobs went to demonstrate. This also explains why dismissed workers did not try harder to mobilize the workers on the job even though this strategy also limited the strength of the struggle. Having been kicked out of their workplace, the dismissed workers were robbed the bargaining power of withholding their labor, and demonstrating every day is too tiresome for many. Towards the end of March the size of the demonstration began to dwindle. On 19<sup>th</sup> April, 2002 the authorities sent in hundreds of police and began to arrest workers. Hundreds of them were put into 12 buses and taken to the police station until their respective workplace representatives came to take them home. On the 22<sup>nd</sup> Tieren square was declared a zone of curfew. Soon all

demonstration died down.

The failure of the great Daqing oil field workers' struggle --- they had mobilized the greatest number of workers to fight downsizing in a key industry --- seems to signify that the workers' resistance against privatization was a losing battle. The entering into the struggle by white collar workers has not reversed the trend. The accession to the WTO required China to open up its banking service in 2007. Thus, beginning in 2000, Chinese state banks began to cut their workforce. Within a few years, The Industrial and Commercial Bank of China shed 110, 000 workers from a workforce of 400,000. The China Construction Bank sacked 150,000 workers. Dismissed workers began to link up among themselves and staged demonstration in Beijing. Though the number has been small, its significance is that it was the first time the white collar workers --- who had always been considered relatively privileged, conservative, and separate from blue collar workers ---- entered into the resistance against jobs cut. Their effort has not saved their jobs though. The authoritarian party state proved too strong for state workers.

## **The socialist consciousness lives on: the 2004 Chongqing 3403 factory workers' struggle<sup>28</sup>**

The People's Liberation Army Chongqing 3403 factory was founded by the military in 1958, with 3000 workers. It is located in the city of Chongqing, Sichuan province. According to the workers, from 2000 the plant manager Zhang Chengyi began to plunder the plant. In 2002 he decided to enter into a joint venture with a private company (which originated from a privatized SOE) called Naide industrial stock holding company. The workers accused the boss of Naide, Lin Chaoyang, of being a swindler who had colluded with officials in the municipal government to privatize local SOEs at abnormally low prices, including Naide and the 3403 factory.

In August 2004 the workers heard news of the factory's bankruptcy and then acted quickly. On 18<sup>th</sup> August they locked up the factory, forbidding people from Naide to enter, and demanded the government provide explanation

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<sup>28</sup> The sources for this case mainly come from reports the workers or their supporters posted on the internet, and which today have largely disappeared. There is a collection of such reports on the Workers Democracy website:

<http://www.xinmiao.com.hk/sim/index.html>

of the deal and punish the factory manager, Zhang. The workers also proposed buying up the factory, by pooling their resources together, and running it themselves.

*'We want democratic management and produce for ourselves!'* declared the workers.

On 20<sup>th</sup> August the municipal government began to press the workers to retreat but failed. In the afternoon Zhang mobilized more than 50 security guards and gangsters to force their way into the factory. After a small clash they retreated. On the second day, Zhang returned with a large crowd of workers from Naide Company to storm the factory. The 3403 factory workers shouted to the Naide workers:

*Workers brothers! Don't let yourselves be made use of!  
Workers don't fight workers!*

Some Naide workers retreated upon hearing the 3403 factory workers' appeal. The attack became ineffective. For a week there was repeated harassment from local police, but no attack. However workers knew that the police were just making preparation for a second attack. The workers' organizers kept disappearing. Plainclothes

officers were everywhere. The workers called the Central Television but no reporters came. They sent petition letters to Beijing but received no response. The only way to alert the public was by posting information on the internet. They made appeals for public support for their cause. At the same time they knew it might not be effective and sooner or later they would be crushed. One worker wrote:

*The municipal government has fallen under the control of the dark force. To try to solve the case through legal means is more difficult than trying to fly to the sky with two arms. Several years back when the Chongqing machinery factory became bankrupt, the workers also fought against the management but failed. They were bloodily suppressed by police. Today, the same tragedy now befalls on us. Could we really hold the ground when the municipal government is so powerful?*

On 30<sup>th</sup> August the decisive night came. It was the 13<sup>th</sup> day since the workers occupied the factory. At 3.30am, when workers were already asleep in the factory, more than 1000 riot police, along with 200 Naide workers who were forced to come, took 12 buses and at 5am began to storm the factory gate. Then the police beat the workers

with batons. One of the workers, who was in his 40s, tried to escape but five policemen beat him with batons. When the policemen became tired another five took their place. A worker wrote in an article posted on the internet:

*The scream of the worker broke all our hearts. Everyone cried, some were so emotional that they were absolutely speechless. The police were so barbaric that they took his mother out, who is already 70, and beat her son in front of her. Eventually our comrade was lying in blood, and then taken away. We have not heard of him since then.*

What is worth drawing attention to in this case is that the workers showed a kind of radical social consciousness that is commonly lacking in SOEs workers. Whereas few SOEs workers' struggles have ever directly challenged the central government's 'ownership reform' policy --- which was and is a taboo --- the 3403 factory workers did. From September through to December 2004 they posted several articles on the internet making radical comments, expressing support to those economists who doubted the neo-liberals' program of privatization. They criticized the CCP after the death of Chairman Mao for pushing for a kind of policy which overturned the leading role of the working class and turned it into an exploited class. In the

article 'The privatization of SOEs will provoke a revolution' the workers had this to say:

*Our constitution stipulated that socialist public ownership is sacred and inviolable, and the ruling party is called the Communist party. How is it possible, then, that the illegal privatization of public assets proceed so openly (and without prosecution)? Workers were sacked, why is this? For 20 years the reform has transformed from emphasizing both efficiency and equality to prioritizing the plundering (of public assets) over equality. The privatization policy has only resulted in workers becoming unemployed, with no clothing and nothing to eat. GDP is rising every year, but unemployment is rising as well, while the rich is getting richer. It has created a new class of capitalists and a 100 million strong new proletariat. Class contradiction is getting more and more serious. However the (official) propaganda still promotes the idea that all profits and public assets should be given to the capitalists, that the original sin of plundering state assets of this class should be pardoned. This was exactly what happened before 1949. If things should be kept this way, why then did we need a revolution in 1949 in the first place?.....If we cannot huoming (live) then we can only pinming (struggle to our death)!*



After the authority crushed the workers' resistance the latter declared that

*Even if the grassland is destroyed by fire in the Fall, it will be reborn again in Spring. The same goes for our struggle. We, the workers of 3404 factory, will not bow before the evil power of these bandits, we will not kneel before the butcher's knife. We will fight a prolonged guerilla warfare.*

No news has been heard of them since.

### **Downsized but still powerful**

Between 2004 and 2008 the numbers of SOE workers further declined from 64.4 million to 61.3 million, and collectively owned enterprises from 8.5 million to 6.23 million.<sup>29</sup> Although the state workers were defeated, their numbers have greatly declined and most have become demoralized, it looks like the great wave of SOE privatization has ended because the remaining SOEs are mostly big enough and strategically too important for the

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<sup>29</sup> *China Statistical Yearbook*, 2009, China Statistics Press, p. 111.

government to give up control of. Even if they have been privatized it has largely been partial, with the state retaining the controlling shares. Hence, if there is still pressure for downsizing or even privatization, it is now on a smaller scale if compared to the earlier period. Although there are now half the original number of SOE workers, they still occupy the most important branches of industry in China. Hence their potential power as the most important producing class is still intact. Secondly, they possess a strong class identity and maintain strong communal and workplace ties which give them strong potential for organizing, an advantage which the rural migrant workers largely lack. Now, the ending of the first great wave of privatization, the fading of fear whipped up by the 1989 crackdown, their accumulation of experiences in resistance etc, have all contributed to a change in workers' moral. The more advanced sections of SOE workers are merging and are more determined to stand up for their rights. The 2009 Tonghua Steel Mill struggle might be a reference point here.<sup>30</sup>

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<sup>30</sup> *Blood on the Hands at a Bleeding Steel Mill*, 21<sup>st</sup> August, 2008, Caijing, <http://english.caijing.com.cn/templates/inc/webcontentens.jsp?id=110228012&time=2009-08-21&cl=104&page=all>

The state-owned Tonggang steel mill is controlled by the provincial government through Jilin Tonghua Iron & Steel Group. In July 2008 the mill workers and even managers opposed and resisted bitterly the proposed takeover by Jianlong, a private steel group based in Hebei Province. It was the second attempt for Jianlong to take over Tonggang. Back in 2005 Jianlong had already taken over Tonggang once at rock bottom price and downsized the workforce. In 2006 it withdrew from Tonggang for various reasons, which enabled Tonggang to make a profit without them. Then in 2008 Jianlong wanted to take over Tonggang for the second time. This time the workers, having learned the lesson, bitterly opposed Jianlong's takeover, and in the height of the resistance against police they sealed off the plant and took 20 high level managers hostages and beat them up before letting them flee. Chen Guojin, a Tonggang manager, scolded the workers and warned that he was going to sack all of them. Outraged, the workers beat Chen to death. Soon the provincial government retreated from supporting the takeover deal. Their success encouraged the workers at the state-owned Linzhou Steel Corporation in Henan province to resist its privatization, successfully, in March 2009. At the height of the event, 3,000 workers held a government official hostage in the factory for four days.

## **The fight back of rural migrant workers**

While the government destroyed more than 60 million good jobs in the state sector, it promoted the creation of new jobs in the private sector, the total of which was nearly double the jobs lost in the state sector. It did this by turning China into a sweat shop for the world's manufacturing industry. China has become the favorite investment haven for TNCs (Transnational Corporations), which take advantage of not only the low wages, but also the highly disciplined workforce under a regime of barrack like factories, heavily guarded by the one party state.

Meanwhile, since the early 1990's rural regions have been bankrupted by taxes and levies, forcing 120 million migrant workers to leave their home villages and to search for jobs in urban areas. These migrant workers constitute a new working class that has formed alongside the old, and many of the new migrant workers are women. Migrant workers are doubly vulnerable, because they are considered less educated and less skilled than urban workers, thus the market value of their labor is substantially lower.

The Chinese government adopted the first Labor Code in 1995, offering the protection of wages, working hours, employment regulations and holidays, etc. The law was supposed to benefit the rural migrant workers most because the private sector they worked in was worse than the state sector in terms of working conditions and benefits. Yet the code is rarely enforced. In most circumstances, local labor departments simply turn a deaf ear to workers complaints, sometimes even going so far as to press workers to give up their rightful claims. This greatly helps the TNCs and their sub-contractors to unscrupulously exploit workers. In EPZs (Export Processing Zones), workers work from 12 to 14 hours a day. In times of rush orders, it is not unusual for workers to work from 8am to 10pm, and in some cases they may work until 2am. Many workers only have one or two days off per month, and some none at all. This greatly exceeds the maximum legal working hours. Workers find it hard to cope with such hard labor, but refusing to work overtime will result in being fired.

In EPZs the number of women far exceeds the number of men, making it difficult for women workers to find male companions. Moreover, some factories have rules that

force women workers to resign if they marry. It is common for married couples who come to the same EPZ to live separately, each staying in their own factory's dormitory. Even when the couples work in the same factory, they still have to live in separate dormitories, making normal sex life impossible. If women workers become pregnant, very often the only choice is resignation because they simply cannot continue to do such hard work, and management rarely transfers pregnant workers to easier jobs.

In spite of the repressive capacity of the government and factory owners, workers have begun to resist. In 2004 it was reported that in the Pearl River Delta, there were more than 30 strikes that involved more than 1000 workers (there are no official statistics on the number of strikes). Strikes that involved less than 1000 workers were more numerous, and according to our interviews, unreported strikes are common. One Guangzhou worker told us: "in our factory strikes are very useful and very effective. Whenever there are arrears of wages or the management introduces bad measures we will strike and it works."

In the past, both state repression and barrack like factory regimes were exceedingly effective in curbing worker

protests. Today, however, these same mechanisms are beginning to produce the opposite effect. We may argue that it is precisely the extremity of these repressive measures that is driving workers to fight back. In the cases of which we are aware, worker strikes were always the result of super-exploitation that had far exceeded the physical and psychological limit of the workers. In the Computime case, workers struck because they were paid 40% of the minimum wages for ten years! In the GP case, workers have struck because they were repeatedly lied to concerning their poisoning by cadmium. In 2008 two violent strikes broke out against the barrack like factory regime in the Maersk container manufacturing plant in Dongguan, Guangdong Province.<sup>31</sup> Maersk Dongguan forced workers to work overtime in violation of the laws. It made workers obey seventy three rules as laid down by the “employees’ manual”. In addition to banning leafleting, petitions and strikes, which are punishable by instant dismissal, the rules include:

*Clause 18: Violating canteen regulations, damaging canteen equipment and disturbing order, including but not limited to: destroying utensils, not queueing for meals, leaving utensils on*

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<sup>31</sup> For details of these three cases please visit Globalization Monitor website: <http://www.globalmon.org.hk/en/>

*the table or failing to put them back into the designated place after meals: failing to put scraps and rubbish in designated places: or leaving food, soup, fruit skin, drinks, etc, spattered on the table or floor. 1<sup>st</sup> and 2<sup>nd</sup> offences: demerit recorded; 3<sup>rd</sup> offence: dismissal*

With the help of local government the strikes were repressed, although some improvement was gained after the incidents.

Women migrants are always considered to be more obedient, which is why EPZ employers like to hire them as the chief labor force rather than men. When women workers can take being exploited no longer, they too begin to resist and are sometimes even braver than men.

In the 2004-5 GP case, it was women workers, not male workers, who formed the core of a network of activists in standing up against the employers.

More workers are now learning that the only way to improve their conditions is to resist, and partial victories are becoming more common. Most of these strikes have occurred spontaneously without prior planning however. Even when workers have won concessions, there are few



incentives for long term organizing. Most of the reported cases are leaderless strikes, and even if there was behind the scene organization, the level is probably lower than with the state workers. The 2004-5 Uniden case<sup>32</sup> is one among the few exceptions where the workers struck five times and at the height of the struggle the leaders tried to organize a workplace union. They only failed under heavy repression.

Well-planned strikes assume prior organization, but given the repressive regime from the central government down to the neighborhood committees, from local police to community based ‘public order teams’ and factory security guards, workers’ organizations are too difficult to sustain.

Another factor which obstructs the migrant workers from organizing has been the *hukou* system, or household registration system. Although the rural migrant workers have not experienced the devastating defeat of SOEs workers, they do not possess a collective memory as a class. They are *nongmingong*, literally peasant workers, more peasants than workers, not because they really till the land –

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<sup>32</sup> <http://bbs.chinaunix.net/viewthread.php?tid=468440>

in fact, most of them rarely do – but because the *hukou* system acts like a kind of social apartheid, which denies rural migrants the right to enjoy permanent residential rights in urban areas, decent jobs, the provision of public services such as education and medical care etc. Hence they are barred from raising families in the cities and establishing their roots there. No matter how long they stay in the cities they are aware that it is bound to be temporary. Therefore a sense of class identity is hard to forge.

As time goes by the *hukou* system increasingly comes into conflict with a new capitalism which increasingly demands the free flow of labor rather than its restriction. In recent years migrants have witnessed the gradual relaxation of the *hukou* system to facilitate their prolonged stay in the urban districts. It is possible that a class identity can be forged among some sections of this generation, especially those who are relatively skilled, making them more favorable to the idea of sustained organizing. For the older generation of rural migrants, their motto was ‘*ershi ding chushan, sishi ding shoushan*’, literally meaning that they ‘at twenty must leave the rural to search for jobs, and at forty they must return’. This is less the case for the generation born after 1980, though because most of them never tilled the land and have been

accustomed to urban lives.

After more than thirty years of rapid growth, China may be entering a new period, simply because the growth has been sustained only at terrible human, social and environmental costs. According to a World Bank report, wages in China as a share of GDP declined from 53% in 1998 to 41.4% in 2005, as opposed to 57% in the US.<sup>33</sup> The other side of the same coin is that profit as a share of GDP has risen dramatically in the same period. A Chinese scholar named Wang Lianli wrote that in manufacturing the proportion of wages to profit rose from 1:3.1 in 1990 to 1:7.6 in 2005.<sup>34</sup> The rising number of spontaneous strikes, road-blocks and occasional riots speak for the fact that conditions for the toiling masses have become increasingly intolerable. It has been reported that in 1993 China experienced 8,709 cases of 'collective incidents' (this is to be understood as including public protests or strikes), 32,000 cases in 1999, 60,000 in 2003, 74,000 in

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<sup>33</sup> *China Economy Quarterly Update*, Feb 2007, World Bank Beijing Office, p.6.

<sup>34</sup> *Tigao laodong baochou, zheli yu chuci fenpei* (Raise the compensation of labour, focus on initial distribution), by Wang Lianli, Xianggang Chuanzhen (Hong Kong Fax), published by research department of Citic Pacific, No. 2007-90, p.8.

2004, and 87,000 in 2005. This is a growth of ten times within one decade. Among these cases 35% involved peasants, and 30% involved workers.<sup>35</sup> Even the official media admitted that the tension between the have and the have-nots has reached a new height. The 2008 global financial crisis may bring China's continuous growth into question. The CCP will find it hard to manage all these problems. On the other hand, it requires a strong organization drive amongst, and solidarity between, the two sections of the working class to reverse their impoverishment. Although the struggles between 1989 and 2009, were not yet able to win substantial victory, and were far from developing into political ones, their partial successes have helped resisting workers to slowly gain back their self confidence in asserting their rights.

24<sup>th</sup> January 2010

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<sup>35</sup> *Zhongguo de saoluan shijian yu guanzhi weiji* (China's riots and its Management Crisis), Yu Jianrong, Method First Journal, November 2007, Issue 7, <http://www.chinaelections.org/newsinfo.asp?newsid=118361>

