

## China Since Tiananmen

### The Labor Movement

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The twenty years since 1989 have brought two major developments in worker activism. First, whereas workers were part of the mass uprising in the Tiananmen movement, albeit as subordinate partners to the students, labor activism since then has been almost entirely confined to the working class. While the ranks of aggrieved workers have proliferated (expanding from workers in the state-owned sector to include migrant workers) and the forms and incidents of labor activism have multiplied, there is hardly any sign of mobilization that transcends class or regional lines.

Second, we observe that a long-term decline in worker power at the point of production—power that was previously institutionalized in skill hierarchies, union representation, democratic management, permanent or long-term employment, and other conditions of service constitutive of the socialist social contract—is going on even as workers gain more power (at least on paper) outside the workplace. New labor laws have broadened workers' rights and expanded administrative and judicial channels for resolving labor conflicts. These legal and bureaucratic procedures have atomized and depoliticized labor activism even as they have engendered and intensified mobilization outside official limits.

The political and economic conditions that once enabled workers to join students in rebellion have disappeared. The bloody crackdown that began in Tiananmen Square on 4 June 1989 disheartened many reform minded intellectuals, who have since dropped the idea that a mass movement can be a vehicle for political change. The government's decisive turn toward economic liberalization as a response to the legitimacy crisis and social discontents that underlay the Tiananmen Uprising rearranged the interests of various classes. In the 1990s, market reform began to benefit a much wider segment of the Chinese populace, most significantly the educated and the entrepreneurs, even as officials of the communist party-state continued to profit heavily from their bureaucratic positions and connections.

China's working class has become more internally varied, and different parts of it have faced different challenges as economic change has moved ahead. For instance, with a massive influx of foreign capital and expansion of the private economy came the formation of a large pool of migrant laborers who now total almost 130 million people, or roughly 10 percent of China's total population. In the mid-1990s, the "restructuring" (read: privatization and bankruptcy) of many state-owned industrial concerns, together with labor reforms that involved replacing permanent with contract employment, unleashed a decade-long spell of high unemployment. During this period, state and collective firms shed some 45 million urban workers. In the meantime, casualization of employment, a worldwide trend, proceeded apace even in core industries such as automobile manufacturing. Today, self-employed, part-time, temporary, and casual workers account for about 40 percent of the urban working population, and workers as a whole have little bargaining power. Nonetheless, anger at unpaid wages, pension arrears, plant closures, and poor working conditions has continued to give rise to labor unrest, albeit of an overwhelmingly local character.

Within the working class, the urban-rural division has persisted. Different household-registration statuses entail different provisions for workers' subsistence beyond wage employment, and thus have the effect of creating distinct interest groups within the working class. State and nonstate workers, not surprisingly, tend to take different approaches to collective action. Finally, the state's resolute use of repression against anything that smacks of labor activism across enterprises further inhibits the rise of a broad-based working-class movement.

### **Workplace Disempowerment and Legal Empowerment**

The changing role of the official union speaks volumes about the disempowerment that China's people have suffered at work. The All China Federation of Trade Unions (ACFTU) was affected by the same ferment that swept large swaths of Chinese society during the first half of 1989. During this time, internal talk concerning greater union autonomy heated up, while some ACFTU officials met with student leaders and expressed support for independent unions.<sup>1</sup> Yet as happened in so many other corners of national life, the massacre of June 4 put a dramatic end to open discussions of greater liberalization within the trade union. Since that time, no union leaders have dared to openly question the formal subordination of the ACFTU to the Chinese Communist Party. This means that in addition to protecting the rights and interests of workers, the state's goals of preserving social stability and promoting economic development have been firmly established as primary tasks of unions. As a result,

the ACFTU has been limited to promoting workers' interests within a rather strict and externally defined set of legal and administrative constraints—a scenario that bespeaks a severe lack of substantive worker representation on the shop floor.

The extreme powerlessness of the Chinese worker as a direct producer is also grotesquely illustrated by the rampant problem of wage nonpayment. An authoritative national survey released by the State Council found that in 2006 less than half (48 percent) of the migrant workforce got paid regularly, while 52 percent reported regular or occasional nonpayment of wages.<sup>2</sup> The fact that wage collection for migrant workers became the subject of Premier Wen Jiabao's personal crusade in 2004 threw into sharp relief the lack of institutional protections for workers. China's labor standards have plunged to new depths, descending from a notoriously low wage regime to a subsistence crisis caused by workers not getting paid for their labor.

If the Chinese government has seemingly ceded control over the workplace to foreign and domestic capital (while state-owned enterprises increasingly utilize capitalist-style managerial regimes), it has also presided over an empowerment process through the promulgation of laws that give workers new legal rights. These include: the National Labor Law (1995), the Trade Union Law (2001), the Labor Contract Law (2007), the Labor Mediation and Arbitration Law (2007), and the Employment Promotion Law (2007). Ironically, empowering workers as juridical individuals exercising contractual rights does not resolve the problem of workers' powerlessness in the labor process. Workers can only seek redress after the fact, and remain at the mercy of the capricious (in) efficiency and political will of the Labor Bureau and the courts.

Therefore, the increase in the amount of labor legislation seems to have coincided with higher numbers of labor violations, labor disputes referred for arbitration, and lawsuits, with little evidence that any of this is resulting in improved working conditions. The rise of rights consciousness is outgrowing institutional capacity to meet or contain workers' demands. Workers have more rights on paper—and are more aware of them—than ever before. But in reality they have little leverage in their places of employment, and the protection that their interests receive from the courts and the government is uneven at best. Not surprisingly, worker protests do not look as if they will disappear from Chinese life anytime soon.

One historical condition for the stunning success that China's version of authoritarian capitalism has registered over the past thirty years has been the growth of a global neoliberal regime of increasingly free trade and capital flows. This has created an influx of investment, insatiable demand for Chinese products, employment opportunities for Chinese workers, and room for the Chinese economy

to grow by putting the squeeze on labor. But this way of doing things may be reaching a point of exhaustion. The global financial and economic crisis is pushing the fundamental problem—the dispossession of workers as direct producers—to the surface, testing the limits of the Chinese approach to development. If uneven decentralized accumulation has thus far kept labor unrest too spread out and particularized to pose a threat to the system as a whole, then massive and simultaneous factory closings triggered by the latest global downturn may foment qualitatively different kinds of labor activism.

Even before the crisis arrived in the second half of 2008, some grassroots Chinese unions were finding themselves compelled by their members' wretched subjugation to devise new modes of organization and activism. There are now indications that some enterprise-level trade union chairs are engaging in active, if still highly legalistic, defenses of their members' interests. Of particular note has been the serious effort of union chairs in Wal-Mart stores in both Nanchang and Shenzhen to press management through collective-bargaining tactics. Top officials of both the CCP and the ACFTU have expressed the wish that unions will pursue collective bargaining—the idea being that this will help to reduce pressure for more radical forms of activism. Yet both the Wal-Mart case and other examples from around China demonstrate that those higher up in the trade-unions' hierarchies are supportive of grassroots activism only to a point; enterprise-level labor leaders who push management too hard risk being seen as “unharmonious” and losing state backing.

In short, the question now is whether China can make the transition from a labor-squeezing strategy of development to a more expansive method that provides the benefits of rights, the rule of law, and basic protections for labor to all the country's workers. The strengthening and expansion of rationalized mechanisms of collective bargaining, and perhaps even some provision for lawful strikes, are options that the government—always anxious to prevent instability—is considering. But this would require giving up the belief that social conflict can be legislated or administered out of existence, and would also entail the emergence of the new working class as a far more organized political force than it is today—a prospect that terrifies most Communist Party leaders. In the long run, however, this type of rationalized contention could provide the foundation for a more stable and sustainable form of capitalism in China.

## NOTES

1. Jude Howell, “Trade Unionism in China: Sinking or Swimming?” *Journal of Communist Studies and Transition Politics* 19 (March 2003): 102–22.  
Available at [www.ihlo.org/LRC/ACFTU/trade\\_unionism\\_in\\_china.pdf](http://www.ihlo.org/LRC/ACFTU/trade_unionism_in_china.pdf).

2. State Council Research Office Team, *Research Report on China's Migrant Workers* (Beijing: Zhongguo Yanshi Publishing, 2006), 116.