The State and Its Workers

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China's class politics after 1989

In April 1989, a series of explosive pro-democracy movements erupted across China. These movements and their political fate remain poorly understood today. While conventional accounts tend to depict liberal intellectuals and elite college students as the main protagonists, millions of workers and working-class urban residents also participated in the movement, especially in its final weeks. Although many joined initially out of sympathy for students on hunger strike, they soon began to articulate their own distinct visions of democracy, demanding the replacement of the bureaucratic system of enterprise management with workers' participation and self-representation. They established independent and democratically run workplace organizations which began to publish pamphlets denouncing the "Stalinist dictatorial bureaucracy" for causing inflation to spiral. The only remedy was to place control over consumer goods in the hands of their producers. Their rhetoric blended the discourse of the Cultural Revolution with invocations of various other historical uprisings. One handbill called on the masses to "storm the Bastilles of the twentieth century."

Between mid-May and early June, these working-class actors were on the frontlines of the unrest. As martial law was declared and military regiments marched towards Beijing, masses of ordinary people flocked to the outskirts of the city and tried to obstruct them. They erected barricades and formed human chains, they brought water and food to soldiers, imploring them to lay down their arms. They formed armed quasi-militias to monitor the whereabouts of the military and maintain critical public services. Factory workers organized shopfloor committees, strikes, and slowdowns, while rumors of a general strike abounded. Beijing almost became a self-governing territory, not all that dissimilar to Petrograd's self-organized and self-armed soviets in the months between the February and October Revolutions of 1917. When the Chinese Communist Party (CCP) launched a final crackdown on the night of June 3, 1989 to liquidate these committees, workers fought back with stones. They lit tires, Molotov cocktails, and their own bodies. Hundreds sacrificed their lives.

Reclaiming the working-class character of the 1989 movements casts recent Chinese history in a new light and reshapes our understanding of the country's current conjuncture. The moment marked a fundamental rupture between two modes of industrial class politics in post-Mao China, particularly in terms of the relationship between the Party-state and the industrial working class. Previously, the Party-state's nominal political commitment to upholding workers' "masterly" social status, along with the institutional framework of socialist public property, made the working class a political-economic force to be reckoned with, capable of contesting the meaning of "socialism" in ways big and small. After 1989, however, the Party-state changed course, dismantling both these pillars of the old order. This gave rise to a new iteration of the industrial working class which evoked the classic image of the proletariat, toiling in capital's satanic mills under the whip of the labor market and the despotism of private interests. How did this transition take place? And how might the process of class recomposition in contemporary China affect the long-term outlook of this great power?

Before 1989

After the death of Mao Zedong in 1976, China's high politics entered a period of leadership struggle eventually resulting in Deng Xiaoping's ascent. In their quest to consolidate popular support, the post-Mao Party leadership recognized the importance of securing mass consent from industrial workers, who were said to constitute the "ruling class" in socialist society. Two significant wage increases were implemented between 1977 and 1979. The planning apparatus deemphasized industrial capital accumulation, encouraging factories to budget more spending for workers' consumption and livelihood needs. For a moment, the Party leadership appeared as open-minded reformers endorsing a critical rethinking of Chinese socialism, which in turn inspired everyday workers to broaden their horizons. These workers criticized the Party-state in ways previously unthinkable and imagined alternative socialist futures.

Interest in the Yugoslavian model of heterodox socialism began to trickle down from intellectual and policymaking circles to rank-and-file workers. While the first group looked to Yugoslavia for lessons on how to build market socialism, the second was more enthused by what they saw as a radical experiment in workplace democracy. In early 1981, workers at the Wuhan Boiler Factory argued that a worker-elected management committee should be the firm's highest decision-making body rather than the Party branch. Such forces were emboldened by the strike wave and independent union activity then sweeping across Poland in 1980. Within weeks, grassroots Chinese workers were heard citing the "Polish incident" and contemplating the possibility of staging their own equivalent.[1] Between late 1980 and mid-1981, strikes centering the demand for independent unions broke out in major industrial cities including Shanghai, Wuhan, Shenyang, Anshan, Harbin, Beijing, Chengdu, and Taiyuan.

The Party leadership scrambled to come up with a response. Unwilling to tolerate workers' attempts to carve out political independence, yet unable to break the socialist link between the state and the working class, leadership eventually devised a concessionary strategy. They gave public enterprises expanded autonomy to manage their own financial affairs and strengthened shopfloor institutions of workplace democracy, though they were still restricted by the parameters set by Party branches. The next few years thus became known as the "golden era" of the Staff and Workers' Congress (SWC), when many workers leveraged these shopfloor institutions within their enterprises to collectively manage the issues that mattered the most to their material livelihoods: distribution of housing, allocation of job opportunities for workers' children, wages and bonuses, and improvement of welfare amenities such as canteens, nurseries, and clinics.

Practices of workplace democracy under the political opening afforded by the early post-Mao era had a profound material impact. During a quarterly SWC meeting at the Shanghai 12th Cotton Mill, for example, worker representatives raised an issue that was not on the pre-approved meeting agenda: the overcrowded and badly ventilated bathhouse for women workers.

The bathhouse had been so cramped that five or six workers had to squeeze themselves under one shower during peak hours. Some workers passed out in the space. The factory leadership had known about the inadequate bathhouse for years, but they avoided improvements, prioritizing productivity over working conditions. This time, however, the SWC passed a resolution to expand and repair the women's bathhouse, calling the managerial staff onto the stage to clarify their positions. Sure enough, the Shanghai 12th Cotton Mill eventually renovated the building.

Yet the golden era did not last long. Such practices increasingly irritated policymakers, who believed that they distracted public enterprises from addressing the more pressing issue of boosting productivity and thus contributed to the state's persistent fiscal crisis. The worsening economic chaos in Yugoslavia made Chinese politicians mindful of the "dark side" of workers' democracy. This culminated in a policy reversal in mid-1984 sidelining democratic institutions within factories and concentrating managerial powers in the hands of factory directors. The Party leadership still walked a tightrope. Even as they reneged on workplace democratization, they could not allow themselves to be seen to be betraying the principle that workers were the ultimate rulers of the socialist society. While the urge to discipline workers was evident in the content of the policy turn, it had to be concealed in its form, giving workers further opportunities to engage in diverse, subtle, and often surprising forms of shopfloor activism.

This led to a contradictory situation. In some places, state authorities encouraged factories to hold workers' elections for enterprise directors before imposing reforms to concentrate managerial power. The ballots, highly symbolic but largely controlled from above, were meant to demonstrate that the impending concentration of authority enjoyed popular support. Yet in many cases workers derailed the electoral processes or used them to advance their demands. Some workers who nominated themselves to stand in the elections had been disqualified by the state, yet they continued with "illicit" campaigns, making public speeches and leafleting their colleagues, often forcing the authorities to address their grievances. Other workers disobeyed the top-down instruction to vote for the state's favored candidates, or agitated to recall their factory directors a few months after the elections. They insisted that because workers had elected them, they should also have the power to recall them.

These moments of contention during the second half of the 1980s failed to reverse a general trend of increasing managerial despotism and power concentration across China's urban public enterprises. Factory directors were more inclined to impose unilateral decisions without seeking workers' input. Some nullified resolutions passed by the SWC while others adopted punitive managerial styles, imposing fines on workers for falling short of production targets or even for taking bathroom breaks. Union cadre complained that many factory directors had developed "a habit of autocracy."

Naturally, the experience of exercising relatively robust workplace democracy for a few years and then suddenly losing this power was painful for many workers. This intensified shopfloor tensions. In addition to sporadic strikes, discontent with management produced various forms of creative everyday resistance. Workers shirked their obligations, wasted time, gossiped, piled up furniture at the factory director's door, or even staged dirty protests on the workshop floor. In the late 1980s it became more common for workers to physically beat their factory directors, many of whom found it necessary to hire bodyguards. It was difficult to tame this unruly behavior, both because firing workers was still very difficult under the socialist property regime and as a result of the deep ideological investment in workers' "masterly" status.

By 1989, then, China's industrial politics had become immensely problematic. Shopfloor tensions were at boiling point, as workers expectations, conditioned by decades of socialist struggle, failed to align with the new balance of power in the factories, which had tipped in favor of the directors. This configuration created particularly fertile conditions for large-scale political activism among parts of the working class. Over those fateful weeks in May and June, workers' discontent with their everyday conditions escalated into a fundamental critique of the Party-state bureaucracy that had centralized managerial control within enterprises—a critique culminating in a vision that could arguably be called "socialist democracy." In the face of this, the post-Mao Party leadership's ability to maintain popular consent broke down once and for all.

The end of the socialist worker

After 1989, the political elite entered a period of soul-searching to figure out how to reform China's political economy in the wake of the crisis that had fundamentally shaken the Party-state. This necessarily raised the question of how to restructure China's industrial class politics. Some politicians—retrospectively labeled "conservatives"—proposed the rollback of grassroots economic autonomy. In its place, they sought to extend bureaucratic chains of command in economic management at all levels and deploy the Party-state's repressive apparatus to punish "petty economic crimes," a term so broad and vague that it could be applied to virtually anything. Such measures would have built a regime of terror not dissimilar to the militarized system of political and industrial management erected in 1969–71 to rein in the volcanic rebel mobilizations of the early Cultural Revolution. Fortunately for China's ruling elite, a solution far less laborious and politically costly was made possible by the changing tides of the global economy: the dismantling of the socialist property regime and the turn to full-blown capitalism.

The rise of capitalistic property relations accelerated after 1992, when Deng Xiaoping made a highly symbolic and well-publicized tour of Southeast China's special economic zones in support of foreign and private capital. The Party-state repealed the policies hitherto restricting the scale of foreign investment and the size of privately owned companies. Attracted by low-cost labor and natural resources, foreign capital flocked to China to set up manufacturing operations, while large-scale domestic firms grew rapidly. As a result, new industrial hubs mushroomed across coastal China, attracting millions of migrant workers seeking employment from the country's rural hinterlands. Unlike many urban workers in the 1980s who enjoyed relatively robust job security and could plausibly see themselves as claims-making stakeholders in their workplace communities, migrant laborers were hired hands, employed on the basis of a wage-labor relationship, subject to a labor market made despotic through unilateral managerial control, most often without any guarantee of decent working and living conditions or even timely payments.

Those employed in public enterprises also experienced dramatic changes in the 1990s and 2000s. The Party-state launched one of the most momentous privatization drives in history, with most enterprises sold to their previous managers or to outside investors, often through opaque financing and valuation practices underwritten by North Atlantic investment banks. Firms that remained partially government owned were typically restructured into publicly listed firms subject to shareholder-value expectations imposed by the capital market. These reforms created massive waves of lay-offs. Millions of workers lost their jobs, welfare entitlements, and sense of communal belonging. Those that remained in employment were often much more precarious because of new dispatching and sub-contracting arrangements. Some laid-off workers joined migrant workers in coastal China's new industrial sweatshops; others struggled to get by in the collapsing economies of their hometowns, becoming domestic day laborers, street vendors, sex workers, scavengers, and beggars. Though the Party-state managed to push through this program in large part without relying on physical force after the events of summer 1989, these shifts nevertheless produced immense social suffering which the repressive apparatuses would now have to contain.

According to the official statistics, the proportion of the urban workforce employed in public enterprises dropped from 82 percent in 1991 to 27 percent in 2005. While it is hard to tell precisely locate these figures, there is no denying the thorough transformation of China's industrial working class, in terms of both social composition and political character. Even though Chinese workers never actually achieved "masterly" status in the 1980s, the Party-state's official commitment to this status enabled workers to imagine new political possibilities and fight for their realization. By contrast, since the 1990s, official discourse and public policy have treated workers as little more than those who sell their labor for a wage, a framework codified by the 1995 Labor Law. Under this arrangement, capital was able to keep the cost of labor low, solidifying China's status as the "sweatshop of the world" for more than two decades (although the flight of manufacturing capital from China has accelerated since the late 2010s). The human cost of this labor regime has been seen in such tragedies as the fire at the Zhili Toy Factory in 1993, which claimed eighty-seven lives, and string of suicides committed by workers at the Foxconn plant in Shenzhen over the course of four months in 2010.

Workers have continued to resist this capitalistic configuration of industrial class politics. Existing research has meticulously documented the dynamics of labor strikes and protests among both workers facing lay-offs in public enterprises undergoing privatization and those demanding pay and benefits in coastal China's private sweatshops. Yet the political horizon that informs the visions and strategies of labor resistance has been radically altered. It has become much more difficult for workers to translate their concrete grievances into a systematic critique of their workplaces and wider society. Without an institutional framework that grants workers security and defines workers and managers as more or less nominally equal members of workplace communities, labor resistance has become sporadic, fragmented, and illegal. Shopfloor contests testing the everyday balance of power between workers and managers is more muted. The working class no longer poses the kind of political-economic threat to the ruling elite that it did in the 1980s.

China's "market reform" reconsidered

In existing scholarship and popular accounts, both inside China and further afield, the concept of "market reform" has been deployed to characterize China's trajectory in the post-Mao era. The story of China's economic transition was narrated as a move from a system in which economic activities were conducted under state planning and top-down command, to one in which economic actors gained increasing latitude to compete through market mechanisms. This was a move from a "planned economy" to a "market economy." In this paradigm, the salient trend is the creation of more spheres of market activity outside state control, and hence the typical objects of analysis are grassroots merchants and entrepreneurs, foreign capitalists and experts, economic technocrats, and so on.

Yet this elevation of "market reform" as the master concept flattens out two very different kinds of industrial class politics that emerged after Mao's rule: the unruly politics of the pre-1989 period, and the more restrictive settlement that emerged in its wake. While various policy measures since Mao's death could all be described as market reforms, they have operated under vastly different parameters of class politics and property relations. As far as property is concerned, the decisive transformation was not simply the expansion of the market sphere, but rather the severing of ties between industrial producers and the means of production to which they had hitherto been able to lay some political claim. Recognizing the discontinuous transition between these two modes of industrial class politics demonstrates that the story of China's post-Mao reform and economic ascent was disorderly and tumultuous, not linear or teleological.

The implications of this are far-reaching. Over the past decade, the Chinese economy has entered a slowdown, as its export-led growth engine has lost momentum due to trade wars and competition from the increased productive capacity of other countries in the global South where labor is even cheaper. Many analysts in both Chinese and anglophone discussions have argued that China's growth strategy should now focus on increasing domestic consumption. The Chinese government's commitment to boosting domestic consumption, however, is largely discursive, consisting of cosmetic policy measures such as handing out discount coupons and gift cards. But China's domestic demand remains weak. The historical process outlined above helps us make sense of this predicament. The radical decline of Chinese workers' power since the 1990s explains the absence of a political force that could have counteracted the interests of the state-capitalist elite and pushed the government to enact robust and enduring mechanisms of economic redistribution. Instead, we have a highly repressive labor regime that reinforces a dynamic of weak consumption.

The slowdown has led numerous companies to ratchet up labor intensity and squeeze costs even further to maintain profit margins. Increasingly unbearable levels of exploitation, precarity, and downward mobility have become pervasive in blue-collar and white-collar sectors alike. This has led to a notable surge of anti-capitalist sentiment in recent years, along with nostalgia for China's socialist past, especially among students and young workers who never experienced it themselves. Yet Chinese workers still lack institutional channels to act on their grievances collectively, as the space for labor organizing continues to shrink under Xi Jinping's reign. This contradiction between the buildup of class antagonisms and the absence of a means to express them could prove difficult to contain. These are the legacies of the transformation of China's industrial class politics at the turn of the 1990s.

Endnotes

1. A series of dock-worker strikes following the establishment of Solidarity in August 1980, culminating in a four-hour national “warning” strike in March 1981 following the forcible removal of Solidarity delegates from the Polish national council.