The Labor Politics of Market Socialism

Collective Inaction and Class Experiences Among State Workers in Guangzhou

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Labor has become an economic and political challenge in a China plagued by unemployment among the ranks of state workers, the proclaimed masters of the Chinese state. Five and a quarter million urban state workers are officially registered as unemployed, and another estimated twenty million have become surplus or "off-duty" (*xiagang*) workers (Zhongguo laodongbao, 9 Nov. 1996). Labor officials have responded by launching a nationwide reemployment campaign since mid-1995 to absorb these laborers, mainly by developing labor-intensive, tertiary sectors such as food services, transport, domestic services, retailing, and tourism (Guangdong laodongbao, 3 Dec. 1995). Official recognition of the massive number of the unemployed and the redundants, who are referred to as the "two categories of staff" in the Chinese press, reveals only the tip of the iceberg. The plight of the state workers is also to be found in the increasing number of "impoverished workers," the new urban poor whose wages or pensions are falling far behind the rising cost of living. A survey of thirteen provinces has found that more than 10% of workers are "in dire straits" in five provinces and 5% to 10% in another six. Unpaid salaries and pension entitlements have affected the lives of millions

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of urban residents regardless of their employment status (China News Analysis no. 1577, 15 Jan. 1997: 4-5).

In the prereform era, state workers were the labor aristocrats of Chinese socialism (Walder, 1986). However, as a result of more than a decade of urban market reforms, they have been unceremoniously dethroned. The introduction of wage reforms, the labor contract system, and the establishment of a social security system have meant that state workers no longer enjoy a lifelong entitlement to employment but now work under a market-oriented contract (Li Peilin, 1995: 141; Beijing Review, 3-16 April 1995: 12-14). State enterprises, many of which suffer from chronic inefficiency and inferior competitiveness in the new market socialist economy, pay wages that on average lag behind those in the nonstate sector, especially in foreign-invested and joint-venture enterprises. State workers have become the most disgruntled segment of the working class under reform: their deep-seated discontent sometimes finds expression in protests and strikes, forcing the regime to slow down its push for enterprise bankruptcies and to set a minimum living allowance level for the unemployed (Far Eastern Economic Review, 31 Aug. 1995: 40).

After workers' massive turnout in the 1989 pro-democracy movement (Walder and Gong, 1993), labor militancy seems to have continued unabated. According to official union statistics, in 1990 there were some 1,620 incidents of arbitrated labor disputes (including strikes and slowdowns) involving some 37,450 workers. Incidents of collective (ten workers or more) sit-ins, slowdowns, strikes, protests, and filing of complaints increased 87% from 1990 to 1991, and a similar rate of increase was registered between 1992 and 1993 (Li Peilin, 1995: 170-71). In 1993 alone, the number of arbitrated labor disputes reached 12,358, of which public enterprises accounted for more than half of the total (Far Eastern Economic Review, 16 June 1994: 32).

In the reform era, there have been marked local variations in the patterns of economic growth, industrial employment, and protests. The hardest hit areas have been Hubei, Hunan, Liaoning, and Shaanxi in terms of geographical distribution and textiles and coal mining in terms of industry (Chengming, April 1994: 30-31; Liu 1996: 128). One writer has remarked that "the provinces that experienced the most turmoil were mostly interior provinces in central China, with

Sichuan . . . heading the list. . . . Of the provinces occupying the top thirteen ranks in turmoil, eleven . . . have more heavy than light industrial firms. . . . These firms share some common characteristics: producer-goods industry, obsolete equipment, excessive consumption of energy, autarky, and an underemployed and poorly educated work force" (p. 124). In coastal and southern cities, labor militancy concentrates in foreign-owned enterprises and involves mostly migrant workers. Official statistics from Shanghai, for instance, indicate that between 1991 and 1995, there was a threefold increase in arbitrated labor disputes involving foreign firms, and for the first half of 1996, out of a total of 200 labor disputes, 80% involved foreign investors (Ming Pao, 18 Oct. 1996). In Guangdong, spontaneous walkouts and strikes in foreign-owned factories protesting maltreatment by foreign capitalists have been widely reported in the press (see, e.g., Modern Enterprise Daily, 18 Aug. 1996; Yangcheng wanbao, 22 Mar. 1995; Ming Pao, 4 Dec. 1996 and 18 Sept. 1996). In Shenzhen between 1993-94, there were 1,100 labor disputes, of which 90% occurred in foreign-owned firms (Liu, 1996: 127).

EVERYDAY FORMS OF WORKER POLITICS

Other than occasional strikes and protests, workers' everyday lives are also marked by various forms of labor politics. The aim of this article is to shed light on these less visible and less quantifiable types of quotidian politics. Two key concepts guide my analysis of state workers' politics in the reform era: "collective inaction" and "class experiences." These concepts may more clearly reflect the modes and nature of worker politics than aggregate figures of public demonstrations, complaint letters, strikes, and sit-ins because they are more systemically induced by the character of the Chinese political economy and therefore are of more analytical significance in understanding labor's changing relation with the regime.

Sociologist Xueguang Zhou (1993) has argued that the institutional imperatives of Chinese state socialism have generated a particular logic and particular forms of collective resistance. Strong organizational control over society by the state and the systematic positive

incentives for compliance offered by the socialist economic institutions have severely limited collective action based on organized interests à la the West. Zhou draws our attention to the political significance of "collective inaction": apathy, noncompliance, evasion of public duties, lack of enthusiasm, absenteeism, and inefficiency in the workplace. These are individual based and take the form of escape from state control rather than open confrontation. They are political actions in that they are perceived and responded to as such by the state, directly challenge state authority, and affect state capacity to extract resources. I shall apply this insight to show that a key form of labor politics in China today is found in the convergence of unorganized but collective inaction in the pursuit of workers' self-interest.

A second form of labor politics is related not so much to behavior as to culture. There is a politics of labor experience, involving a contest between a hegemonic construction of reality, on one hand, and popularly held "structures of feeling" and alternative understanding, on the other. *Experience* is the key word for labor scholars following the footsteps of E. P. Thompson's (1966) path-breaking *The Making of the English Working Class*. In general, the term denotes the "vast, multiple, contradictory realm" where people weigh and assign meanings to events as they are living through them. Tradition, culture, and language inform workers' collective responses to and apprehension of economic and political changes (Sewell, 1980, 1990). Social historians have credited the concept with emancipating the working class from the tyranny of Marxist structuralism and allowing for identity formations beyond and prior to that of class (e.g., Gould, 1995). The case of Chinese labor compels us to look from a reverse direction: how has the experience of socialism mediated Chinese workers' responses to its retreat and the concomitant ascendance of the market? To what extent has socialist ideology from the past four decades engendered a critique of its own present transformation by providing the cultural repertoire for its working class to resist or reinterpret official "market socialism"?

An integral component of cultural experience is what Raymond Williams (1977) terms "structures of feeling." Even as it sounds elusive and academic, "structures of feeling" finds strong resonance in Chinese official and popular discourses about the conditions of the

working class. Many reports have appeared in the press, giving voice to official concerns with workers' "extreme and unstable" emotions, mental "imbalance," "irrational" sentiments, and the potential for social instability these feelings represent. Analytically, this notion points to emerging collective impulses, which are not yet articulated as a well-formed counterhegemony but are "affective elements of consciousness and relationships: not feelings against thought but thoughts as felt and feeling as thought: practical consciousness of a present kind" (Williams, 1977: 132). Rather than opposing cognition and affect, reason and the irrational, "structures of feeling" attend to their intertwined nature, especially when they are "in transition between being experienced as private and becoming recognized as social" (Rosaldo, 1989: 107). Many of my interviews are replete with expressions of workers' anger, indignation, and despair, which are so woven into their reasoning and arguments that all must be analyzed as integral to their collective experiences.

CONTEXTUALIZING GUANGZHOU WORKERS

My field research was conducted in Guangzhou, the capital city of Guangdong province in south China.[1] In 1994, Guangzhou had a population of 6.2 million, of which some 781,000 were employees in 1,052 state industrial enterprises. Registered unemployed numbered 123,000, and an additional 150,000 workers—10% to 15% of state employees—were redundant employees of state enterprises (Guangdong laodongbao, 12 Nov. 1995). As the capital of a province that has moved ahead of others in reform and especially in the development of the private sector, Guangzhou may be statistically unrepresentative but theoretically illustrative. The city has pushed market socialist reform further than has any other great city in China, and this makes it a useful case for examining the impact of market development on workers' politics. The findings from such a case study are significant perhaps not for their typicality but for their causal logicality (Glaser and Strauss, 1967: 63). Compared with localities in inner provinces, two features specific to Guangzhou (or Guangdong in general) should be underlined.

First, because Guangdong leads the nation in terms of the number of private enterprises and employees, workers in the province have relatively more opportunity to participate in the market economy and the "second economy" than do workers in other regions. A survey reported in 1992 that Guangdong had more than 20,000 private enterprises, employing some 300,000 individuals. These figures account for 22% and 17%, respectively, of the country's totals. Sixty percent of these private enterprises engaged in industrial production (Wen Wei Bao, 22 May 1992, trans. in JPRS-CAR-92-038, 5 June 1992). In Guangzhou city in 1992, there were 3,877 private enterprises (not including the more numerous individual businesses), employing more than 42,000 workers.[2] The growth of the private and individual sectors not only serves to absorb a large number of unemployed, underemployed, and postretirement job seekers (Ikels, 1996: chap. 5) but also provides alternative, parallel, or alternating employment for state workers. Surveys conducted by the labor bureau in various cities in the late 1980s found a higher rate of second job employment in Guangzhou than in Chongqing, Tianjin, and Shanghai.[3]

Second, the early opening of Guangdong to foreign investment and joint ventures has attracted a massive migration of workers moving southward from northern provinces, giving the workforce in Guangdong a more fragmented and heterogeneous character than its counterparts in interior provinces. As early as 1984, Guangzhou became one of the fourteen coastal cities offering preferential policies for international and overseas Chinese investors from Hong Kong, Taiwan, Macao, and elsewhere. The result has been that by 1991, joint ventures and foreign-owned businesses accounted for 23% of the total value of industrial goods and services produced in Guangdong (Ikels, 1996: 17). Among the 11 million migrant workers in Guangdong in 1996 (Far Eastern Economic Review, 4 April 1996: 19), most of whom have found jobs in the special economic zones and the Pearl River Delta counties, 280,000 have entered urban state and collective enterprises in Guangzhou. Indeed, in Guangzhou, half of the workers in textiles and one-third of those in rubber industries are now "outside workers" (*wailaigong*). In short, market opportunities and class fragmentation may have given the state-labor relationship in Guangzhou its specific character.

COLLECTIVE INACTION

Of minimal public visibility but ubiquitously reported by a considerable number of workers are various forms of everyday noncompliance inside state factories. These (in)actions have the aggregated consequence of constraining the capacity of the state to implement its policies. On the shop floor of state factories, one of the most fundamental transformations brought about by the series of enterprise reforms (including the director responsibility system, contract management reform, and wage and labor contract reforms) is the emergence of a more despotic factory regime. One study (Zhao and Nichols, 1996) describes an intensification of the "labor process" in state cotton mills in Henan, characterized by extended working hours, increased workload, raised production quotas, speedups of machinery, and punitive discipline enforced by monetary penalties. Similar measures are found in Guangzhou's state enterprises, but what is of interest here are workers' responses and the resulting distortion of state intentions. Take the example of wage reforms. Promoting the principle of "pay according to work," factory directors adopt piece rate wage systems, introduce bonuses and efficiency rewards, and impose fines for faulty production, thereby creating wage differentials among workers. Although these are designed to push workers to work harder and raise productivity, they have elicited varying responses from workers. When the amount of workers' paychecks falls beyond what they consider a fair wage level, collective goldbricking, withdrawal of effort, spontaneous work stoppages and quasi sit-ins appear. This was the case in a Guangzhou knitting mill, a break-even enterprise that has been hard hit by the numerous and more cost-effective township and village enterprises operating in nearby counties.[4] Since 1990, workloads have become uneven, and workers are often ordered to take "mandatory rest days" during which production is suspended until orders or raw materials come in. Goldbricking is widespread.

> You can see that many of us work without effort (*chugong buchuli*). Workers labor with an eye on their wages only. When the amount is as little as 400 or 500 yuan, merely enough for a good family meal in a restaurant, that's too little. That's why we work at an easy tempo, to save our nerves on the job. Reforms have not made us more motivated

> or harder working. . . . In our factory, the low wage rates just cannot induce us to work. I'm willing to work hard if there is real money to be earned. [Interview with female worker (age 35) in the knitting mill, 29 Mar. 1996]

Having violated workers' expectation of a fair wage, management's imposition of punitive work rules becomes all the more unacceptable and easily triggers spontaneous work stoppages.

> Yesterday, a dyeing worker refused to work because of a new rule that says only his assistant can weigh the coloring ingredients. In the past, this was done by the dyeing worker himself. Yesterday, the assistant did not show up and the dyeing worker refused to pitch in, saying cynically that he did not want to violate the official work procedure. Of course, it's only an excuse. But the entire shop floor just stopped working for the entire shift. . . . These days, workers are all frustrated. We always say workers have to do all the work, and all we get are penalties and deductions from our wages. You see, many of us are getting 300 or 400 yuan a month, but every fine easily costs us more than 50 yuan. So do you think it's more rational to stop working rather than risk being punished? [Interview with female worker (age 35) in the knitting mill, 29 Mar. 1996]

Elsewhere, in a camera factory that has been officially declared an "enterprise in severe difficulty" since 1995 and is operating with a 30-million yuan debt, the workers' wages fluctuate around the official minimum of 350 yuan per month.[5] There were times in the past few years when the entire workforce was laid off for months due to a lack of orders. During that time, each worker was paid an average monthly allowance of 200 yuan; the exact amount depended on how successful the factory director was in soliciting loans from diverse sources. As in the knitting mill, workers' reactions toward the piece rate wage reform have followed their own moral logic rather than the state's economistic predilections. When the rates dropped below a living wage level, workers were discouraged from working at all. When I was interviewing one of the women workers in a corner of the shop floor, four other women put aside their work and eagerly explained to me their situation. "In 1985 or 1987," one of them explained, "our wage was about 300 yuan. It's still the same today but prices have increased many times. . . . I have made some calculations: with my wage, my family cannot even afford instant noodles for the day's three meals" (Inter-

view, 8 May 1996). When I asked them if workers would compete for the limited work so as to earn more money, they all laughed.

> What is there to compete for? There's so little money. Besides, we all are now "multijob hands" (*duomianshou*), so it's difficult to calculate our individual time rates or piece rates. . . . We come back to have a laugh. If we kept our anger and frustration inside ourselves, we'd get sick. It's too expensive to get sick these days. At least, we can chat and vent our emotions in the factory and take things easy. [Interview, 8 May 1996]

A more explicit challenge to managerial imperatives is found in another shop floor of this camera factory. Workers have spontaneously replaced the piece rate system with an egalitarian redistribution of wages within the work group. A female group leader in the optical mechanics shop floor told me that only by resorting to this kind of radical egalitarianism could she convince workers to stop arguing and continue production. She admitted that such practices were against factory regulations as they practically nullified the motivational intention of the piece rate system.

> There were originally nine of us in the work group. Since two months ago, there's work only for six or seven workers. . . . There have been many arguments about wage rates. As a group leader, in order to stop all this grumbling, I decide to equalize all our piece rate wages. Usually, I have to take 130 to 160 yuan every month from my own earnings to redistribute within my group. I have done this since April 1993. After redistribution, each of us gets about 400 yuan, that is, when there is work to do. [Interview with female worker (age 47), 10 May 1996]

Another popular mode of collective inaction among state workers is absenteeism and a displacement of labor effort from state jobs to private, second jobs. Because of the booming of private and township enterprises in Guangdong and the vibrant development of the tertiary sector in Guangzhou, many state workers, especially skilled core workers, have second jobs. An estimate for Guangzhou in 1989 was that 30% of workers and staff in urban enterprises had second jobs (Beijing Review, 6-12 Nov. 1989: 21-23). In 1993, another report suggested that one in three state employees and two of five scientists and technicians in Guangzhou moonlight (Ikels, 1996: 187). In a heavy machinery factory (established in 1950, with about 4,500

employees in 1995) where I interviewed workers, a 1991 survey found that 89.6% of workers in the survey sample had a second job in the past year; 94.1% of these moonlighters reported that their second income amounted to 30% to 40% or more of their regular job wage (Qiu Haixiong, 1996: 133). Both the press and the workers admit that moonlighters put in minimal energy during regular work hours. Real work effort is reserved for private job ventures to secure a porcelain rice bowl in addition to the iron one in the state enterprise. An operator in a pharmaceutical factory compares his state factory job and his second job as an electrician in an interior decoration team.

> My wage from the second job is higher (1,000 yuan) than from my regular job (800 yuan). But it's extremely hard work. Sometimes there are rush jobs, and we have to work immediately after we get off from the factory. We start around 4 or 5 p.m. and work till 11 p.m. or 12 a.m. The number of hours may be small, but the work is intense. Because it's private, we can't goldbrick as we do here [in the state factory]. After all, here in a state enterprise we can have a cup of tea or smoke a cigarette. [Interview with male worker (age 35) in the pharmaceutical factory, 8 Mar. 1996]

The local press has also condemned how moonlighting brings about three serious negative consequences for the individual and the enterprise. Obviously, the core concern is that the widespread phenomenon of "second job fever" has compromised the state's monopoly over workers' labor power and, by implication, the economic interest of the state. The following extract from the newspaper *Guangzhou ribao* (3 June 1996) is representative (see also Zhongguo laodongbao, 17 Oct. 1996).

> First, it [a second job] weakens workers' sense of commitment to their occupation. Because some workers see that state jobs bring in only 10 yuan a day but second jobs bring in several dozens or even more than a hundred, they are unwilling to exceed production quotas or make extra sacrifice to their enterprise. Some of them merely fulfill the quantitative requirement of their production without regard to the quality of their work, harming the production quality of the enterprise. Second, second jobs hurt workers' health. Workers have to work during the daytime, the evening, and holidays. They become exhausted, undermining their performance in the enterprise and easily causing industrial accidents and injuries. Third, second jobs harm

enterprises' economic interest. Some workers sneak out work tools, raw materials, products, parts, and designs to help their second job enterprises.

Besides the goldbricking, spontaneous work stoppages, absenteeism, second-job craze, and inefficient, sloppy work,[6] state workers' coping strategies in response to housing reform should be understood as collective noncompliance, both in terms of behavioral consequences and workers' moral logic. A national plan for housing reform was announced in 1988 by the State Council with the goal of converting housing from a welfare benefit to a commodity so as to relieve the financial burden on the state and state enterprises. In Guangzhou in 1989, state enterprises began to promote housing ownership by selling the housing (both newly constructed and old apartments) of state enterprises and organs (*danwei*) to enterprise employees at below-market value. Because of the real estate boom in Guangzhou, the average price of housing has risen steeply, from 800 yuan per square meter in 1988 to a lofty 5,000 to 6,000 yuan in 1993 (Chiu, 1994: 296). At this market rate, a household of three workers making average wages would require more than 62 years to purchase a 50-square-meter apartment (Ikels, 1996: 84). Because the gap between the danwei below-market price and the market price is substantial (1:15 or 1:20), many state workers consider ownership of a danwei apartment the only remaining privilege of their status.

To keep their right to a danwei apartment (either to rent or to purchase), many dual-worker couples (i.e., those where both husband and wife work in the same enterprise) have the woman, who has fewer alternative opportunities, remain in the state enterprise while the man quits the state sector for a higher income job. A 30-year-old woman worker in a pharmaceutical factory complained that her state job offered her no prospects for advancement and little money (her average pay was 500 yuan a month), but she had to stay in the enterprise so that her husband working in the same enterprise can "hop out" to become a taxi driver. By doing so, the family can keep the 41-square-meter apartment their factory has sold them for just 8,500 yuan, or 1/20 of the market price.

Similar cases were reported by workers from other state enterprises, and they confirmed that it was a very popular practice. In the knitting mill, a woman worker frankly admitted that she and her husband stay

in the factory solely to keep their apartment. She has signed a ten-year lease with the enterprise, obliging her to work for another ten years, after which she will be free to quit and still keep the apartment. Her husband is the head of the electrical work department, which is considered a key technical position. Thus, the allocation of an apartment is intended to bind them to the enterprise. However, her husband has made good use of his position of authority to secure for himself leaves of absence, sometimes as long as several weeks, to concentrate on his lucrative interior decoration business.

Some workers living in danwei apartments simply refuse to move out when they quit. Managers in several enterprises reported that getting them out posed many difficult practical and moral problems. In a heavy machinery factory, only 30% to 40% of the personnel who resigned returned their apartments in accordance with the regulations of the enterprise (Qiu Haixiong, 1996: 84). According to a vice-director of an optical instrument factory, workers "really do not have any other apartment they can live in. What can you do, force them onto the streets? We have to consider how this drastic action may provoke other workers." Thus, both workers' refusal to return danwei apartments when they leave an enterprise and their strategic subversion of state intentions are acts of resistance embodying an alternative moral principle. Whereas the state considers enterprise housing a reward to be selectively given, workers perceive it as an entitlement. A number of Chinese writers (Li Peilin, 1995: 173; Feng Tongqing, 1996: 285) have alluded to workers' claims of a "capital right" or "property right" in state enterprises. Workers believe that their long years of low-wage labor is equivalent to an investment in their enterprise and that danwei housing is a rightful return to their capital. For instance, researchers (Li Peilin, 1995: 164; Feng Tongqing, 1996) have found that some workers' disapproval of the housing reforms, which require that tenants pay higher rents or purchase what was formerly given to them as welfare, comes from workers' notions that they as owners and investors in their enterprises should not be asked to pay for what has always been their own property. This sentiment can be understood as the historical legacy of an official ideology that has persistently proclaimed workers as masters of "publicly owned" enterprises. It seems that workers have appropriated the official language to articulate and justify their claims.

FRAGMENTED EXPERIENCES

If "collective inaction" points to behavioral forms of labor politics, "experience" encompasses workers' collective cultural understanding as they live through social change. The cultural is no less political, if only because the state everywhere seeks to buttress its authority in the commonsensical world of its subjects (Gramsci, 1971). When confronted with the stark reality of declining status and material privileges, does the entrenched discourse of socialist ideals mediate workers' apprehension of market transition? If so, in what ways and with what consequences for their acceptance or rejection of state authority?

The data I have collected suggest that there are different degrees of consent to the regime of market socialism. Workers' experiences do not form a coherent template, nor are they uniform across subgroups of workers. That is, contradiction and fragmentation characterize workers' consciousness and cultural understanding. I map three major patterns of working-class experience in Guangzhou, which I term *socialism betrayed*, *socialism transformed*, and *socialism liberated*. While the majority of workers articulate the first type of experience, the workers who articulate the second and the third constitute significant minorities indicative of intraclass fractures that are systematically related to the dual, market-redistributive structure. The emerging pattern is that workers who are disadvantaged in both the state redistributive order and the market tend to fall into the first group, whereas workers in the second group are mostly found in enterprises that still manage to provide a secure and living wage and sometimes the privilege of privately owned housing. These are the few lucky ones whose experience I call "socialism liberated." They are those who are capable of benefiting from both state redistribution and market opportunities.

It must be emphasized that these cultural experiences do not necessarily dovetail with how workers actually cope with the reality of market socialism. As with Hungarian workers for instance, "consciousness and interests do not necessarily coincide—one can be critical of state socialism but at the same time maneuver one's way through its labyrinth" (Burawoy and Lukacs, 1992: 140). Indeed, I have found that workers who are most critical of market socialism are

also those most dependent on the Chinese state to take care of them and therefore least likely to translate their collective experience of state-led betrayal into collective action. A cadre responsible for party work in an almost-bankrupt camera factory observed that the most dissatisfied workers remained in state units since they were the least competitive in the outside world.[7]

SOCIALISM BETRAYED

All workers remembered the good old days when being a state worker brought them pride, status, and material privileges. A 45-year-old male worker recalled that securing a job in his heavy machinery factory back in the 1960s turned him into a most eligible bachelor. "People said I wouldn't have to worry about finding a wife once I got into this factory," he said with amusement. A couple remembered that when they learned of their assignment to their respective state enterprises, they and their families were so happy and proud that they hosted a feast for friends and relatives to celebrate. In another interview, when I asked a woman worker for the year in which she joined the knitting mill more than two decades ago, she gave me a surprisingly quick and precise response: "I entered the mill on August 12, 1974. . . . It was so difficult to get into state enterprises in those days that I cannot forget the date after all these years." Such a sense of nostalgia about the past contrasts sharply with workers' rage and frustration about the present.

The strongest indictment of injustice comes from off-duty and unemployed state workers. According to a survey, 71.3% of Guangzhou's off-duty workers think that their redundancy is unfair, 54.3% say they consider themselves the victims of reform, and 61.2% admit that they despise China's power holders (Cai He, 1996). One feature story in a local newspaper sheds light on the sharp awareness among a generation of workers that their own personal fates are inextricably and helplessly dictated by the ebbs and flows of regime politics. A 41-year-old former shop floor director of a sock factory was quoted as complaining,

> Our generation has really suffered a bad fate. As kids, when we were growing, [there was not enough food as] it happened to be the three difficult years. When we were in primary and secondary school, it was the Cultural Revolution. Then at 17, we were made to leave our parents

> to go up to the mountains or down to the fields. Just when we were back to the city, there was the "diploma craze." Now, at our age, with neither strength nor skill, we become the first target of reform [and are rendered] unemployed and redundant. [Nanfang ribao, 3 June 1996][8]

In many interviews, workers and their families explicitly target the state as the culprit of their plight. In the middle of an interview with an unemployed worker and her husband, the woman was so saddened that she retreated into her room to cry while her husband pitched in as my interviewee.

> She gave her youth to the state and suffered from our country's backwardness in the past, only to be abandoned now. It's good to have market reform, but it's important to have a fair basis for competition: these women do not have a fair basis to compete with others. . . . If she *dingti* [had taken over] her father's and not her mother's factory job, her whole life would have been different. She's like in a blind marriage, subject to the state's allocation. [Interview, 3 Nov. 1996]

In another family, the sister-in-law of an off-duty woman worker similarly indicted the state and challenged the rationality of what the state has euphemized as "labor re-optimization policy."

> People of her generation [i.e., in their 30s] followed the state's call for late marriage, so most of them gave birth to their child around 28 or 29. Now, several years later, when their children are still young and without any earning power, the state kicks them out of the danwei. These people sacrificed their best years to battle for the enterprise, and now they are the first to get squeezed out. I really don't understand: these people in their 30s should be the most stable and dedicated workers because they don't have to take maternity leave any more, nor do they have to spend a lot of time taking care of their children. [Interview, 2 Nov. 1996]

These criticisms are politically subversive in that they not only target state policies but also reflect a popular understanding that diverges from official interpretation. While workers emphasize the collective, institutional, and historical roots of unemployment and redundancy, state officials explain these problems by referring to workers' low educational qualification and an archaic "employment consciousness": lack of competitive mentality, dogmatic preference for jobs in state enterprises, and an inertia of reliance on the state (Zhongguo laodongbao, 4 Mar. 1997, 14 Nov. 1996). Moreover, it

seems that even after the labor contract system was universalized among state workers (in Guangzhou by the end of 1995), the moral presumption of lifelong employment and entitlement lingers, providing a basis for a critique of state policy. On many occasions, bewildering rage, which the official press describes as "extreme sentiments" or "unbalance psychology," explodes in acts of personal vengeance against enterprise managers and shop directors. A 44-year-old unemployed woman recalled in an angry tone how she and her coworkers threatened to take revenge on the managerial staff whom they blamed for their dismissal.

> The day I was dismissed, my whole body felt empty and brainless. I lost my sense of place and time. . . . There were male workers who threatened to bomb the enterprise and to die with the leaders. They swore at the leaders with dirty words. . . . Sometimes I and my coworkers would say to each other that if we were to die, we would want our leaders to die with us. At least, we should hang ourselves in front of the leaders. My relatives told me that in the No. 1 Plastic Factory, a man and his wife were dismissed, and they threatened to jump off the factory building together. In the end, they were rescued, and the enterprise was forced to take them back. [Interview with a woman worker in a metal tube factory, 16 Nov. 1996]

Similar incidents of violence have been reported in the press (e.g., JPRS-CAR-92-086, p. 31, 18 Nov. 1992). Such antagonisms are partially rooted in past personal grudges between individual workers and managerial staff, which in turn are outgrowths of rampant favoritism and clientelism in Chinese state units (Walder, 1986). But reforms have spurred those antagonisms to new heights as they have aggravated inequality between workers and management. "Workers have changed from being the masters to the slaves of the enterprise. The director has become the patriarch of the family. I dare say this view represents 100% of workers in my factory," declared an off-duty male worker who had once been a union activist in a machinery factory (Interview with a male worker, age 54, 16 Nov. 1996).

Chinese academic reports lend support to workers' complaints about the widening disparity of income and benefits. Although the state prescribes a maximum worker-management income ratio of 1:3, there are reports of ratios of 1:10, 1:20, and 1:50 in some provinces

(Bai Ningxiang, 1993: 27; China News Analysis no. 1544, 1 Oct. 1995). Even in Shanghai, where income disparity is under stricter control, the ratio stands at 1:10. These rates have not included the differences in "gray" or "black" incomes: bribes, gifts, bonuses, and illegal profiteering in kind. In Guangzhou, almost all workers interviewed criticized how cadres enjoy not only "flexible" wage levels but also all kinds of fringe benefits such as banquets and touristic weekend trips using enterprise monies.

Even among workers who are still at work, Marxist categories inherited from their past experiences underlie their critical remarks about the irrationality of the market and the immorality of social groups that benefit most from it. These workers draw strong moral and socioeconomic boundaries (Lamont, 1992) between themselves as state workers and other social groups, particularly private entrepreneurs. Lam Wai-yew, an articulate 49-year-old veteran worker in the knitting mill, was representative of this group.[9] Speaking in quite a vehement tone when we came to the issue of unequal income distribution in present-day Guangzhou, he condemned it as an unfair system, grounding his reasoning in Marx's labor theory of value. "Of course, this [the present income distribution] is not reasonable. Labor creates value. I don't believe one should earn within one or two days what others have to spend a lifetime to earn, like those star athletes or a stamp that was sold for a million. Can you tell me what kind of value they create?" (Interview, 3 Feb. 1996). Production is still essential to society and, therefore, so are the workers who are responsible for it. "You cannot have everyone becoming bosses, businessmen, and billionaires. Who will do the work?" Moreover, commerce and the market are unpredictable and irrational, as he learned from observing a peddler's business he passed by daily on the way to the knitting mill.

> I have made some observations of our present society. There are two hawkers selling fruit at two ends of the same street. . . . The prices and the quality of their fruit are the same. One *getihu* [entrepreneur] treats customers very warmly and politely, but nobody buys from him. The other hawker does not even bother to shout or call people's attention, but he gets lots of customers. This is fate. In reality, the two stalls are the same. How strange! How can you explain the market?

Lam is also critical of Chinese society under market socialism where an individualistic, private mentality eclipses the more collectivist, public, and caring ethos of the old days. He cited workers' relations as an illustration.

> Now people think only about their private affairs and are becoming very selfish. . . . We, the older generation of workers, had a different mentality and were less calculating. In the past, coworkers visited each other during the New Year holiday or when someone was sick. Now, workers seldom chat with each other, except between real buddies. Human relationships become very shallow, and there are no more home visits. It's of course not a question of time, since we even have double rest days now. It's just that society has changed; mentality and people have changed.

Finally, private business owners epitomize many ills of marketized society. Although state workers toil harder but earn less than private entrepreneurs, workers are still morally superior. Lam declared that

> most bosses in private enterprises are dishonest. They hire you to teach them skills and then fire you anytime they like. Sometimes they even cheat you out of your wages. Some of them trap people by promising high wages after probation, but then they fire you just at the end of the probation period. . . . You can see that in the newspaper: they are constantly hiring new hands. Something must be wrong [with this high turnover]. . . . The richer they get, the less [human] quality they show. They are very rude and have a foul mouth. Although they wear expensive outfits, their manners are poor, and they look down on others.

This remark about the moral degeneration and cultural inferiority of the nouveaux riches is very common among this group of workers. On one hand, these workers assert their moral superiority while, on the other hand, they are bitterly aware of their socioeconomic inferiority under market socialism. They are particularly angry at getihu peddlers, with whom they interact most in everyday life: peddlers were once despised but now make handsome profits by preying on their meager wages. Chan Yuk-min, a 48-year-old worker in a camera factory, was indignant when she recounted her experience with one getihu.

> They are what we call "cunning traders." Fraud is their business. So, never buy from a getihu. Once, my son bought a pair of jeans from a street vendor. When he brought them back, they did not fit. I took them

> back to exchange, but the peddler refused and denied that he sold such low-quality jeans. I scolded him because he was so dishonest. All those getihu have a low moral character. . . . They'd do anything to make money. . . . No private entrepreneurs have any sense of responsibility to the masses. [Interview, 10 May 1996]

Besides private entrepreneurs, comparison with peasants in the suburbs of Guangzhou is also common and is another reason why these workers feel betrayed by socialism. The economic status of suburban peasants surpasses that of state workers due to the rapid hike in land values of suburban farmland: peasants, it is thought, can easily get rich not by farming but by building multistory apartment houses and renting them to migrant workers or foreign businesses. A coworker of Chan in the camera factory is ashamed of her meager income (about 350 yuan a month) as a state worker and her dependence on relatives in Hong Kong and her native village.

> I never buy new clothes now. All the things I wear I get from my Hong Kong relatives. I almost never buy any household electronic appliances. Our relatives saw that we could not even afford a television, and they gave us one as a present. When my husband got sick last year, they also lent us money, but who can take care of our long-term poverty? Our relatives in our home village are doing much better than us. . . . There is no more advantage in being a state worker. Our houses are smaller than those of peasants. They can build big houses, with more stories if they have the capital, but we have to rely on allocation. [Interview, 9 May 1996]

In short, for this group of state workers, disenchantment has thrived on the lingering legacy of state socialism that they still appeal to as a perceptual and moral map in navigating market socialism. Nevertheless, the past was not all bliss and glory. This is reflected in the layered and contradictory consciousness of workers: state socialism had its terrifying moments that formed the bedrock of the collective memory of the working class. Chan (and others in the study) alluded to the Cultural Revolution when I asked why state workers seemed so accommodating in the face of abject hardship.

> I belong to the working class. Other, ignorant people may pursue political means to solve their problems, but I myself have a lot of experience with politics. . . . Many people died during the Cultural Revolution. At that time, I was only an innocent student, and there were

> Red Guards who killed without reason. Now, I know it was wrong and therefore I would not join any organization or resort to collective action. . . . Many workers of my generation just want to work, eat, and live.

Finally, the booming private economy in Guangzhou, which has allowed some former state workers to get rich, and its accompanying market ideology, which places responsibility for success and failure on the individual, have blunted workers' criticism of the present system. That is why in almost all interviews, no matter how bitter workers felt about their situation under market reforms, they all qualified their remarks by saying, "But if one has the ability, one can moonlight and earn more," or "With the labor contract system, you can choose to leave a danwei if you have the guts. You can't blame anyone but yourself now." It seems that marketization does have the effect of atomizing and privatizing Guangzhou's state workers, even those who find themselves betrayed by socialism. Although the number of cases in my study is too small at this point to delineate a definitive picture, my hunch is that the experience of socialism betrayed is most prevalent among state workers stuck in loss-making state enterprises and who are unable to compete in the marketplace.

SOCIALISM TRANSFORMED

For a second group of workers, the language, value, and spirit of socialism persist as well, but the image they see through it is different from that of the previous group. This experience of "socialism transformed" is mostly found among workers who earn a decent and living wage from their enterprise and enjoy enterprise housing and medical benefits. Only one-third of the state enterprises in Guangzhou are in the red, while another third are breaking even, and the remaining third are profitable. This has led to a widening income gap among state industrial workers (China News Analysis no. 1544, p. 8, 1 Oct. 1995; Ming Pao, 27 Aug. 1996). Among workers who are still receiving a decent wage, quite a few realize that—because of their advanced age and poor education—they are not competitive in the market. A job in a state enterprise thus shields them from economic uncertainty under market socialism and, in some critical respects, preserves certain privileges for them as masters of the enterprise. In profitable enter-

prises, housing ownership is a litmus test for workers' assessment of what market socialism has meant to their class. Workers' "capital investment" in efficient enterprises is repaid through the provision of apartments. Many workers in the profitable optical instruments factory have nicknamed themselves the "new aristocrats" due to their ownership of newly constructed apartments provided by the factory. They call cadres and old activists who exclusively enjoyed a housing allocation in the past "old revolutionaries."

The benefits of economic reforms have trickled down to certain workers. Leung Wai-sim, a 48-year-old female group leader in the optical instrument factory, stated that

> the first five-story apartment building in this enterprise was built in the 1970s, and those "old revolutionaries"—cadres, activists, "backbone" staff, and those with *guanxi* [connections]—got the first batch of apartments. Then in the 1980s, we built a new eight-story building, and all these old revolutionaries filed their applications to move from the old to the new building. They paid just 10,000 yuan for a three-bedroom-apartment. . . . Three years later, it's our [workers'] turn, but we have to pay much more, at least 30,000 yuan. . . . People see that we can come up with this amount and call us the "new aristocrats." Actually, we have saved hard all these years. [Interview, 13 June 1995]

Property ownership, especially in expensive cities such as Guangzhou, marks the superior class status of these workers, just as did permanent employment and the provision of comprehensive welfare in the era of state socialism. Moreover, commodification of erstwhile free welfare services such as nurseries, canteens, and clinics provokes complaints, but workers are quick to qualify that steadily rising wages make these changes manageable. In the optical instrument factory, the monthly wage for production workers averaged 1,000 yuan at the end of 1995, almost double the citywide mean.

Elsewhere, in a pharmaceutical factory of average efficiency, a 50-year-old male mechanic who claimed to be an activist in the 1960s insisted that socialism still exists in China even under reform because the state continues to "take care of the majority." An example he gave was his entitlement to retirement pension.

> Under all circumstances, state enterprises guarantee us a certain standard of living. At least, in times of sickness and in old age, we can rely on the enterprise. With my 30 years of tenure, I definitely find state

> factories superior to private ones. Those private factories may pay you higher wages at the beginning, but they sack you anytime they like. State enterprises, even with surplus workers, will arrange early retirement or something. [Interview, 9 Mar. 1996]

To him, not only is socialism very much alive, but it has moved toward the goal proclaimed goal in the 1960s: to reduce the "three big differences" in society.

> The difference between workers and peasants, between city and countryside, between manual and mental labor. . . . What the present society has done is exactly to reduce these differences. The gap between the city and the countryside has closed, both have modernized. See those specialized households in the countryside? They breed fish, rear silkworms, plant mulberry trees, and they may make more money than workers and directors in the city. . . . The most difficult gap remains that between manual and mental labor, though. Cadres earn more than us.

While these workers are aware of the predicament of many other state workers stranded in poorer enterprises, their own enterprises manage to retain certain "privileges" commensurable with their socialist working-class status. Market reforms have not made them total losers but have definitely shaken up the old schema of things. In the new social order, these workers are ambivalent about the market and the social groups it breeds. Perhaps because their enterprises have thus far survived market competition and given workers material benefits, workers such as Ng Nga-yee approve of the introduction of market reforms. However, they are also critical of the moral character of private bosses and businessmen.

> You can't say that inequality means injustice. Society has opened up now, it allows you to fight and compete. Each individual can have his own way and make however much he's capable of. This is unlike the past, when making money was easily branded as following the capitalist road. [Interview, 13 Dec. 1995]

After telling me this on the shop floor, on our way to her home to prepare lunch, Ng pointed out a group of women workers from a nearby privately owned factory who were eating from their rice bowls, standing in an open area under the sun. "Look at how capitalists exploit workers," she angrily declared. "Workers cannot even have a decent lunchtime. How can they eat while standing under the sun?" Later,

when she finished cooking a two-dish meal for herself and her husband, she told me of the moral decay she observed among private entrepreneurs who got rich too easily and then indulged themselves in womanizing, drinking, gambling, and all kinds of conspicuous consumption. "Women nowadays do not want to marry businessmen because they are so unreliable. . . . There is no danwei to discipline and tie them down. People with free occupations [taxi drivers or businessmen] are unruly."

In short, the same moral suspicion of the market and the private entrepreneurs, the drawing of moral boundaries between working-class status and private occupations are common among workers who experience socialism as having been betrayed and transformed. Yet, due to their different material circumstances (wage levels, welfare entitlements, and housing ownership), the new inequalities among workers in the reform era have brought about divergent experiences and different degrees of consent. The last pattern of "socialism liberated," although relatively much rarer among state workers, demonstrates most clearly the fragmentation of working-class experiences of reform.

SOCIALISM LIBERATED

For a minority of workers, socialism offers both opportunity and security. These skilled and relatively young workers have one foot in a stable enterprise and one foot in a well-paid job in the market economy. Like the Hungarian entrepreneurs discussed by Ivan Szelenyi, these Chinese workers have "little interest in letting loose the 'anarchic forces of the market,' " and they, after all, may prefer the "warmth of state socialist paternalism" (Szelenyi, 1988: 14). Contrary to the image of the market as irrational and immoral held by more disadvantaged workers, the market represents progress and rationality for this group since it rewards individual effort and capability. Moreover, the symbolic boundaries they draw with other groups—whether moral, cultural, or socioeconomic—are less strong and clear than those of the two previous groups. As aspirants in a reforming social order, these workers veer away from strong identification and categorization derived from the old social structure. In interviews with this

group, the linguistic and evaluative framework of socialism was invoked to a much lesser extent.

Tam Tung-wing, a 35-year-old male worker in a pharmaceutical factory, has moonlighted as an electrician for an interior decoration company for thirteen years. While he earned 800 yuan a month in 1995 from his state enterprise job, his second income averaged more than 2,000 yuan a month. He denied that society looked down on state workers as a group, pointing to the vast variation in workers' economic conditions depending on the circumstances of the particular enterprise they work for.

> State workers are not necessarily poor, and there are many state enterprises which make money. As in the petrochemical industry, or [in enterprises] like my wife's telecommunication company, workers make as much as 3,000 yuan a month. Now, only one principle reigns: whoever can make money will be respected, workers or nonworkers. Enterprises are also dependent on the market climate. . . . My enterprise is paying me 800 yuan now, but in one or two years, it may become rich and give me 3,000 yuan. . . . But we have to wait for the market to turn better.

Not only did Tam deny that the private sector or entrepreneurs were immoral, but he admired their extraordinary courage and adventurous spirit, both of which he said he lacked and therefore opted for a dual existence straddling the state and the market.

> I admire and envy them [private entrepreneurs] a lot. . . . They have brains, capability, courage, especially courage. No, [I don't despise them]. It's good to have your own business. . . . In the past, only those incapable of anything else would become getihu. At that time, if only I had the courage to jump out [of the state enterprise] and launch my own business, maybe I would have made big money by now. In any case, my adaptability is not good enough. If I quit this enterprise completely and venture into the market, I'd feel that I lack a backup. Now, I have one job working for "grandpa" and another job for my own, and the two make a good sum together, and it's a secure life.

Wu Chi-wah, a male skilled worker in the heavy machinery enterprise, also leads a dual existence, as a worker and a grocery store owner. His wife and relatives work as his shop assistants. For him, Chinese socialism has at least brought an amazing degree of improve-

ment for workers as consumers, and material life is all that is important for practical, ordinary workers such as himself.

> I feel good about the present. When we were making only 100 yuan a month in the past, there was no television set, no VCR in our home. A transistor radio or an electric fan were things to show off in the old days. . . . But now, I can enjoy these things easily. In the past, it was like we had not seen the world, and we did not know what an air-conditioner looks like.

Regime legitimacy is thus grounded on the improved quality of life of the working class, who understands it as the indicator of society's productivity and socialism's claim of superiority. These workers, like the other two groups, are not unaware of the plunge in status and income of their class in relation to other classes in the process of reform, and they all unequivocally say that they do not want their children to become "workers." In spite of, and perhaps also partly because of, the plight of the majority of state workers, this minority is all the more complacent and content with their own relative security and prosperity.

REMAKING LABOR POLITICS: SOME HYPOTHESES

The remaking of Chinese socialism has confronted students of Chinese labor with a new theoretical question: if reforms have unbundled the multifaceted institutional dependency of the working class on the regime (or the state enterprise), and with this the neotraditional authority the state has commanded over its labor aristocracy, what emerges under market socialism? My data collected in Guangzhou cannot provide any conclusive answer. But by bringing the quotidian back in an analysis of labor politics in China, one confronts the range of behaviors, feelings, and thoughts among state workers as they live through market socialist reforms. This article has delineated two facets (praxis and consciousness) of labor politics in the reform era: proliferation of worker resistance to the regime through various modes of collective inaction and new intraclass fractures among state laborers in terms of class experiences and consent to reforms. Past labor research has shown how the political implications of these forms of

everyday resistance, hidden transcripts (Scott, 1985, 1990), and labor fragmentation (Perry, 1993, 1995) can often be as unpredictable as they are capable of being revolutionary. In any event, they constitute important dimensions of an increasingly fluid and dynamic relation between state and labor in China.

The fluidity of labor politics in the reform era stems in part from the disjunctures between praxis and consciousness. For instance, we have seen how workers who are most keen to displace labor effort onto their second job are also those most likely to express consent to market socialism. On the other hand, workers who bitterly critique the betrayal by the state are least capable of resisting state managers' despotic piece rates and punitive rules. However, there is a second reason for the fluidity of worker politics that relates to class fragmentation brought about by market socialism. I have outlined an emerging pattern whereby workers' dual positions in both the redistributive and market orders shape their differentiated and "remade" experiences of socialism: "socialism betrayed" among losers in both market and state redistribution, "socialism transformed" among beneficiaries of redistributive resources such as housing, and "socialism liberated" among those capable of taking advantage of both market and redistribution. Consent to the regime varies among workers with these different collective experiences.

But who tends to fall into these different structural locations in the new market socialist order? In other words, what are the bases for intraclass fragmentation among state workers in the reform era? By way of concluding this case study of Guangzhou, whose specificities (discussed earlier) are particularly illuminating of the impact of the market, I offer an hypothesis for further exploration of state-labor relations.

My conjecture is that gender and citizenship are deepening fault lines fragmenting the state working class from within. Women and migrant workers with rural residentship, compared with men and local urbanites, respectively, have less market capacity and access, but they are also the most vulnerable to reforms in the state sector. Internal stratification among state workers has always existed, but it has been most prominently based on ownership types of enterprise (Walder, 1987) and political activism (Walder, 1986). What market reforms and related labor reforms have brought about is the declining significance

of these factors relative to that of the market status of workers. Inequalities based on gender and official residence (*hukou*) status are long-standing features in the state workforce (Ping Ping, 1997; Howard, 1991). What is new in the reform era is their increased significance in differentiating the power, interest, and identity of workers.

In Guangzhou, as in other major cities, women form a disproportionately large segment of the redundants and the unemployed: whereas they account for only one-third of employees in the state industrial sector, they make up 64% of these two categories of state employees, and almost half of them are between 31 to 40 years of age (Guangdong laodongbao, 8 Oct. 1995).[10] Likewise, in the nonstate labor market, women are disadvantaged compared to men. Research has found that only middle-aged men with a technical background or women under 35 are preferred in the private or foreign sectors, and 10% more male than female job seekers achieve upward mobility through a job change. In two of the factories under study, male workers outnumbered women workers in their job mobility out of the state sector (Ping Ping, 1997: 64-67; for Shanghai, see Davis, forthcoming). In terms of the opportunity for moonlighting, male superiority is again apparent. Housework, child care duties, the lack of social networks and marketable skills are the major impediments to women's participation in the second-job labor market (Ping Ping, 1997: 66-67). One couple describes a popular gender division of labor under market socialism as the practice of "one family, two systems": an arrangement among working-class families in which the husband ventures into the market system while the wife secures a basic livelihood for the family by staying in the state system (Interview with a technician in a state air-conditioner factory and his wife, a clerical worker in a bicycle factory, 15 June 1995). Thus, women are doubly jeopardized by both the state and the market and become the most dissatisfied and disillusioned segment of state workers. Economic reforms have compelled many of them to retreat to domesticity and, in the process, they have become more dependent on the incomes of their husband and children.

Besides the gender divide, state workers are also fragmented on the basis of residence status: between those with urban hukou and those "outside" workers with a rural hukou. The fragmentation of the workforce between locals and outsiders within urban state enterprises

is reflected in press reports on the pubic perception that migrant workers are threatening the livelihood of local workers.[11] While 80,000 workers in Guangzhou are registered as officially unemployed and receiving livelihood allowances, 280,000 outsiders have been granted permits to work in state and collective enterprises (Nanfang ribao, 8 Oct. 1996). There are also feature stories about employers' preference for migrant workers. For instance, in a recruitment drive of a state-owned emporium, 13 outside workers under age 30 were recruited as janitors, while a hundred or so local women applicants complained about being rejected (Guangzhou ribao, 27 May 1996). Many workers interviewed were indignant that their enterprises declared them to be redundant but brought in outside workers to fill their slot. Besides a hostile social climate against outside, rural workers, there is also evidence that migrant workers are given inferior treatment in state enterprises in terms of wages, bonuses, medical subsidies, housing, and labor insurance (Solinger, 1995). Migrant workers in this study have also reported shop floor conflicts with local workers in matters of allocation of work, calculation of piece rates, and mutual animosity due to different dietary habits, lifestyles, and attitudes toward work.

When future research can probe further into how these fragmentations produce diverse employment relations between enterprises and different groups of labor, and with what consequences for the modes and propensity to engage in labor politics, we may be on safer grounds to theorize about what has come to replace neotraditionalism as the nexus of authority between the Chinese regime and Chinese labor.

NOTES

1. The data in this article are drawn mainly from interviews I conducted with about 70 state workers in Guangzhou between June 1995 and October 1996. About two-thirds of these workers came from five state enterprises: a heavy machinery factory, an optical instruments factory, a camera factory, a knitting mill, and a pharmaceutical factory. I also interviewed a handful of managerial cadres from these five enterprises. Finally, I have interviewed about 20 off-duty and unemployed workers coming from a variety of state industrial firms.

2. According to official categorization, both "individual businesses" and "private enterprises" are privately owned establishments. The distinction is that individual businesses (*getihu*) have no more than eight employees, while private enterprises are those with eight or more employees.

3. The overall second job rate was 22.49% for Guangzhou, 18% for Chongqing, 8% for Tianjin, and 4% for Shanghai. Yet, in individual enterprises surveyed in Guangzhou, the rate went as high as 55% to 70% (Laodongbu zhengce fagui si, 1991: 80).

4. The mill was established in the early 1950s and had 2,000 employees distributed among five plants in 1996.

5. The factory started production in 1960 and had an active workforce of 377 as of May 1996.

6. One Chinese author calls these kinds of behavior, which are reported in surveys implemented by the All China Federation of Trade Unions, "collective depletion of capital" (Li Peilin, 1995: 176-77).

7. A survey of 800 unemployed workers in Guangzhou has found that 72% of the respondents would prefer to work for a state unit (Nanfang ribao, 3 June 1996).

8. Similar sentiments of victimization by state policies were also found among Beijing off-duty workers. One researcher quoted a commonplace complaint among workers that "when we were young, we gave to the enterprise [the surplus value] we accumulated, and now no one is repaying us" (Feng Tongqing, 1996: 286). Elsewhere, in a widely reported knitting mill strike in Chongqing in 1992, retired workers fighting for the payment of their pensions argued that their pension was their rightful return to the surplus value they had accumulated for the enterprise and society and therefore should not be docked even when the enterprise went bankrupt (Chengming, April 1993: 37).

9. The names of all workers given in this article are pseudonyms.

10. A nationwide survey conducted by the All China Federation of Trade Unions in 1993 found that women workers accounted for 37% of all state workers but 60% of the off-duty and the unemployed (Chang Kai, 1995).

11. A report in a local newspaper claimed that "all unemployed workers interviewed referred to the competition of migrant workers as the cause of their unemployment" (Nanfang ribao, 5 June 1996).

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