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1 Chinese Workers' Contentious Transition from State Socialism

DAYS OF RECKONING

For more than a week in mid-March 2002, tens of thousands of workers marched through the streets of Liaoyang, an old industrial town in China's northeastern rustbelt. Some carried a huge portrait of the late Mao Zedong that was mounted on four shoulder poles and accented by a red ribbon knot fastened on the top of the frame. While some people passionately sang the "Internationale," an old woman cried aloud, "Chairman Mao should not have died so soon!"¹ Fueled by simmering anger at the corrupt local government and pressed by economic difficulties after their state-owned enterprises went bankrupt, workers from as many as twenty factories at one point demonstrated in front of the Liaoyang city government building. They demanded payment of back wages, pensions, and unemployment allowances owed them for months, even years. But most shocking to the authorities, they insisted on the removal of the head of the local legislature and former mayor whose seven-year leadership had spawned rampant corruption and wreaked havoc in the lives of the local people. Overseas human rights organizations claimed that it was the largest collective act of defiance since the bloody crackdown of the 1989 Tiananmen Incident. Only this time workers were the major social group present; no intellectuals, students, or private entrepreneurs joined their protests; and the official press censored the incident at both the municipal and national levels.

Liaoyang has the look of many an old industrial town in the northeastern province of Liaoning. A pervasive grayness and an air of morbidity beset what once was a proud and buzzing industrial center boasting a dozen major military equipment factories and a nationally renowned chemical plant built with French technological assistance in the early 1970s. No

inking of such past glory can be found today in the faces of the many unemployed workers gathering in makeshift “labor market spots,” holding in their hands or hanging on their necks placards announcing their skills: plumber, electrician, nanny, seamstress, and so on. Abandoned brick workshops punctured by broken windowpanes line the main road leading into this city of 1.8 million, one of which is the Liaoyang Ferro-Alloy Factory, or Liaotie, the epicenter of the protests. For four years, the three thousand employees of this state-owned enterprise had petitioned the local government, charging the enterprise management for financial irregularities and nonpayment of wages, pensions, unemployment allowances, and medical reimbursements. The columns near the main entrance were covered with posters and open letters. One open letter, addressed to “All the People in Liaoyang,” read,

We the working masses decide that we cannot tolerate such corrupt elements who imposed an illegal bankruptcy on our factory. We must take back justice and dignity. We will not give up until we get all welfare payments, unpaid wages, and compensation back. . . . Our respected compatriots, brothers and fathers, we are not anti-Party, antisocialism hooligans who harm people’s lives and disrupt social order. Our demands are all legal under the Constitution and the laws. . . . Let’s join forces in this action for legal rights and against corruption. Long live the spirit of Liaoyang!²

Pointed and impassioned, the letters made a resounding accusation against local government corruption and collusion with enterprise management. The panoply of worker compensation specified by central government policy remained an empty but tantalizing promise. Liaotie workers’ grievances were shared by many local workers throughout China’s cities and especially across the northeast. Yet workers’ interests were fractured. A disillusioned former Party secretary of one of the many factories participating in this protest explained to me that different groups of protesting workers participated with their own unresolved “balance books” in their heads. They came together in holding the local government responsible for their plight.

First, there were laid-off workers who did not get their 180 yuan monthly allowance. Then, there were retired workers complaining about not getting a special allowance promised by the central government two years ago. It was stipulated then that for each year of job tenure, they should be paid an additional 1.8 yuan monthly for their retirement wages. Third, there were retired cadres whose career dated back to the prerevolutionary era complaining about unequal treatment of retirees. There was a policy for military personnel who were with the CCP [the

Chinese Communist Party] before 1949 to get 1,800 yuan a month as pension, but those who surrendered to the CCP at the end of the anti-Japanese War were given only half of that amount. The latter group was of course furious. . . . Then, there were banners saying, "We want to eat," "Return us our wages." . . . People are nostalgic about the time of Chairman Mao, when everyone had jobs and society was stable and equal. . . . After devoting my life to political education work, I now feel my efforts have all been wasted. Since the early 1990s, after they started the director responsibility system, I as the Party secretary was sidelined, and he [the director] could rule and decide on personnel matters however he wanted, no restraint at all.³

Thanks to its cross-factory participation and its explicit political demands, the Liaoyang protest received intense international journalistic attention. Despite the rapid collapse of inter-workplace rebellion, its short-lived existence signaled to the regime the possibility of an escalated working-class rebellion beyond the predominant pattern of localized, single-factory mobilizations, spurred by economic and livelihood grievances related to wages, pensions, health benefits, and bankruptcy compensation. In terms of sociological significance, it is this latter type of "cellular activism" that has become paradigmatic in the Chinese reform era. Police statistics on demonstrations, startling as they are, capture only a small part of the phenomenon. In Liaoning province alone, between 2000 and 2002, more than 830,000 people were involved in 9,559 "mass incidents," or an average of ten incidents each involving ninety people every day for nearly three years.⁴ Nationwide, the Ministry of Public Security recorded 8,700 such incidents in 1993, rising to 11,000, 15,000, and 32,000 in 1995, 1997, and 1999, respectively.⁵ In 2003, some 58,000 incidents were staged by three million people, including farmers, workers, teachers, and students.⁶ Among them, the largest group consisted of 1.66 million laid-off, retired, and active workers, accounting for 46.9 percent of the total number of participants that year.⁷ The surge in social unrest continued from 2004 to 2005, as the Ministry of Public Security announced a hike from a total of 74,000 to 87,000 cases of riots and demonstrations during these two years.⁸

Rampant nonpayment of wages, pension defaults, and the general collapse of the enterprise welfare system has triggered this trend of increasing labor strife among China's massive laid-off and retired proletariats. The total number of workers in state and collective enterprises who were owed unpaid wages increased from 2.6 million in 1993 to 14 million in 2000, according to official trade unions statistics.⁹ In Shenyang, the provincial capital of Liaoning, a survey showed that between 1996 and 2000, more than one-quarter of retired workers were owed pensions, and one-quarter of

employed workers were owed wages.¹⁰ Adding insult to injury, the Chinese government has begun experimenting with a one-time severance compensation scheme that translates each year of job tenure into 470 yuan in Shenyang (in 2002). The rates are lower for smaller cities and they vary across industries. Many workers simply reject the idea that “job tenure” can be up for sale; many others find it repugnant that their labor for socialism is now reduced to a pittance, while the state permanently relinquishes responsibility for its workers. With glaring gaps in the new safety net, the estimated twenty-seven to forty million workers shed from their work units in the state and collective sector since 1995 are plagued by a profound sense of insecurity.¹¹ Across the country, in rage and desperation, workers are wrestling with explosive questions: Who should be held responsible for the collapse of enterprises the regime had for years touted as worker-owned? How much should workers’ lifelong contribution to socialism be worth now? Who should be paying? How much for every year of job tenure? Why are pension regulations and bankruptcy laws not implemented? In short, workers are contesting the value of their labor in the broadest sense, not just the amount of severance compensation but also, as this book shows, the meaning of labor, the basis of legitimate government, and the principles of a just society. The 1990s was a time of reckoning between workers who had come of age under Maoist socialism and the post-Mao reform regime.

NEW LABOR BLUES

Veteran state workers are not alone in asserting labor claims. After two decades of market reform, a new generation of industrial laborers has established a solid foothold in all kinds of industries. Hailing from China’s vast countryside and toiling mostly in private, joint-venture, and foreign enterprises, the hundred-million-strong migrant population now accounts for 57.5 percent of China’s industrial workforce and 37 percent of its service sector employees. In the garment, textile, and construction industries, these migrant workers constitute 70–80 percent of the total workforce.¹² Since the 1990s, these young workers have registered marked increases in protests and strikes, or what the Chinese authorities vaguely refer to as “spontaneous incidents.” The overwhelming majority of these conflicts are about wages and working conditions, rather than collective consumption (that is, goods and services that are consumed by the community as a whole). In Shenzhen, China’s most developed global export city in the south with some seven million migrant workers, the Labor Bureau officially registered about six hundred such incidents each year during 1998–2001.¹³ The annual total

of officially mediated and arbitrated labor disputes soared from 54 in 1986 to 13,280 in 1999.¹⁴ Of these disputes, 65 percent were related to wage arrears and illegal wage rates.¹⁵ In Guangzhou, the capital of Guangdong province, the Public Security Bureau reported a total of 863 protests involving some 50,000 people between January and October 2004.¹⁶ For Guangdong province as a whole, the number of arbitrated labor disputes rose from 24,700 in 1998 to 45,790 in 2002.¹⁷ An official survey in 2003 revealed that about 75 percent of migrant workers had experienced wage nonpayment (of varying durations and amounts).¹⁸

One "spontaneous incident" that has become an everyday phenomenon in Shenzhen involved a court case filed by construction workers. On a balmy morning in the spring of 2002, 188 migrant workers of Jiancheng, a big name in the local construction industry, gathered at the gate of the Shenzhen Municipal Intermediate People's Court. Spirited and hopeful, they were waiting to enter the courtroom for the second hearing of their lawsuit against their employer for illegal deduction of wages and nonpayment of its pension insurance contributions for more than a decade. There were lively exchanges in Sichuanese; 70 percent of the workers came from Sichuan province. At about 8:15 AM, fifteen minutes before the scheduled opening of their case, the judge's clerk came out from the main building to make a surprising and unsavory announcement: the hearing would be postponed until further notice because the court investigators had not yet been able to obtain evidence from the Labor Bureau. The clerk also told one of the five worker representatives that they should be the only ones appearing at the next court date, not all the workers, despite the fact that all of them were plaintiffs. Disbelief quickly gave way to anger, as many workers cried foul, while others cursed the corrupt court system. One man suggested, "Let's go to Beijing, to the National People's Congress!" and others seconded enthusiastically. Their unflappable, shrewd, but gentle leader, Liu Junyuan, tried to assuage the intense indignation of his fellow workers, saying that "the court is working on our case, but it needs more time to gather evidence. Let's go back to the dormitory first." After another twenty minutes of milling and complaining among themselves, and a brief appearance of the Sichuan government representative in Shenzhen to "understand the situation," workers went home, discouraged and disappointed, but, as Liu insisted, also even more determined to fight for their cause, whatever it took.¹⁹ Since the beginning of this labor dispute in March 2001, these workers had tried negotiation and mediation with management, collective petitions to the city People's Congress and Labor Bureau, and writing open letters to the official union, the city government, and the Public Security Bureau. They also ini-

tiated formal dispute arbitration and finally lawsuits, trying every administrative and legal means to assert their demands. Despite their scathing critique of discrimination against migrants, they still believed in the integrity of nonlocal state authority and the fledgling national legal regime. "It's too unjust, but we are at the end of our rope," Liu lamented, acknowledging that the legal system, no matter how flawed, might be the only realistic way to redress the blatant violations of their collective interest. What he did not expect was that three months later the court would delay giving a verdict, prompting his angry coworkers to block traffic outside the court. And when the judge eventually rejected their claims on dubious legal grounds, Liu found himself as disillusioned and bitter as his fellow workers, declaring, "The judge was paid off. . . . If we had to do it again, we would just protest!"²⁰

This is not an isolated case of collective action by migrant workers, nor is its tortuous course and the legal combativeness of workers involved atypical. Many cases of labor disputes in the sunbelt are characterized by workers' self-consciously law-abiding principles of action. Going to the streets is considered a last resort and usually happens only after other bureaucratic channels have been exhausted. The sentiments expressed during these incidents entail abject vulnerability and intense indignation on the part of migrants for being treated as second-class citizens by employers and officials unresponsive to their lawful demands.

But why do rustbelt workers take to the street so readily while sunbelt workers instinctively resort to the labor bureaucracy and the judicial process before staging protests?

THE PUZZLE

I compare two regional political economies where two distinct groups of workers bearing the brunt of market reform and globalization are concentrated and display both differences and similarities in their modes of activism. First, I examine the rustbelt in the northeastern province of Liaoning. Once the heartland of the socialist planned economy and home to some of China's most prominent state-owned industrial enterprises, Liaoning has decayed into a wasteland of bankruptcy and a hotbed of working-class protest by its many unemployed workers and pensioners. Unpaid pensions and wages, defaults on medical subsidies, and inadequate collective consumption are the main grievances triggering labor unrest in Liaoning. Second, I examine the sunbelt province of Guangdong, which has become a

powerhouse of the country's export-oriented industrialization and one of the most popular destinations for the hundred-million-strong migrant labor force. Rampant nonpayment of wages and oppressive working conditions have prompted unrest among these young workers.

In the rustbelt, I have found "protests of desperation," in which veteran state workers, staking their claims on moral and legal grounds, primarily take their grievances to the street, leveraging a strategy of political bargaining by shaming local officials and disrupting traffic and public order, and make only occasional and individual forays into the legal system. Rhetorically, workers' insurgent claims draw on political discourses of class, Maoism, legality, and citizenship. Such protests coexist with a survival strategy that relies on the remnants of socialist entitlements, primarily allocated welfare housing, and on informal employment.

In contrast, Chinese migrant workers in the sunbelt, indignant over their treatment as second-class citizens by officials and employers, stage "protests against discrimination." These workers resort first to legal activism such as filing petitions and lawsuits for collective labor arbitration, mediation, and litigation. Only when this institutionalized channel fails (which it often does) do they resort to public disruption. They stake their claims in the law, clamoring against discrimination by officials and employers and violation of labor rights, identifying themselves as weak and marginalized masses needing the protection of the state. Striving to remain employed in the cities, these workers rely for subsistence on a system of land rights that allocates to rural residents plots of land in their birth villages.

What explains the differences in these protest strategies, one emphasizing street action and the other legal and bureaucratic channels? What accounts for the differences in rhetoric and the claims made to the public and the state?

In addition to these differences, I have also found several significant features of unrest shared by rustbelt and sunbelt workers in this period. One is their passionate appeal to legal justice, assailing official corruption as both immoral and illegal. Also, despite the large number of protests, labor unrest in both regions has been bottled up at either the enterprise or the city level. This kind of decentralized, "cellular" activism seldom evolves into lateral, cross-locality rebellion, and its political target has remained the local government rather than higher-level officials or the central government, with important ramifications for regime stability and legitimacy. What accounts for these similarities in labor activism across two generations of workers and two drastically different regional economies?

We may think of the Liaoyang and Shenzhen incidents described earlier in this chapter as instances of what have been termed, respectively, “Polanyi-type” and “Marx-type” labor unrest. In Beverly Silver’s global narrative of labor unrest in the past 130 years, *Polanyi-type unrest* refers to the resistance to the commodification of labor power by workers who have benefited from established social compacts that are being abandoned by the state.²¹ *Marx-type unrest*, in contrast, refers to struggles by newly emerging working classes confronting capitalist exploitation in *production*. Marx-type struggles are organized by workers when they have associational workplace or marketplace bargaining *power*.²² Yet neither Polanyi nor Marx has an adequate theory for explaining the specific modes of mobilization or insurgent identities that constitute labor unrest and workers as political agents. We need, therefore, additional analysis of the state (i.e., its strategies of economic accumulation and regime legitimation), the social organization of collective action, the legal system, the institutions of social reproduction of labor power, and theories of subjectivity and the agency of workers.

This book identifies three levels of analysis forming a configuration of intersecting conditions and giving rise to divergent and convergent patterns of labor activism in reform China. The three levels of analysis are: (1) the political economy of decentralized legal authoritarianism; (2) the two systems of regulation and reproduction of labor, one organized around a “social contract” and work-unit-based collective consumption, the other predicated on the “legal contract” and village-based subsistence guarantees; and (3) a repertoire of insurgent identity claims appropriated from official ideologies. (See figure 1.)

My argument is this: the rising tide of labor unrest in China in the past fifteen years is caused by the commodification of labor, a key component of what has been summarily called “market reform.” This commodification process in China is characterized by the Chinese state strategy of decentralized accumulation and legal authoritarianism. This political economic framework and its inherent tensions produce the features of labor protests common across the two regions: cellular activism, local state targets, and mobilizing the ideology of legalism. Specifically, I use the term *decentralized legal authoritarianism* to refer to the twin strategy of decentralized accumulation and legalistic legitimation of authoritarian rule. Whereas fiscal and administrative decentralization has been noted by many scholars as the pivotal strategy of the reform regime, I want to draw attention to a less theorized but parallel state strategy: an attempt to shift the ground of political legitimation from utopian ideology, personal authority, administrative fiat, and violence to a government by law, or rule by law. Together, these

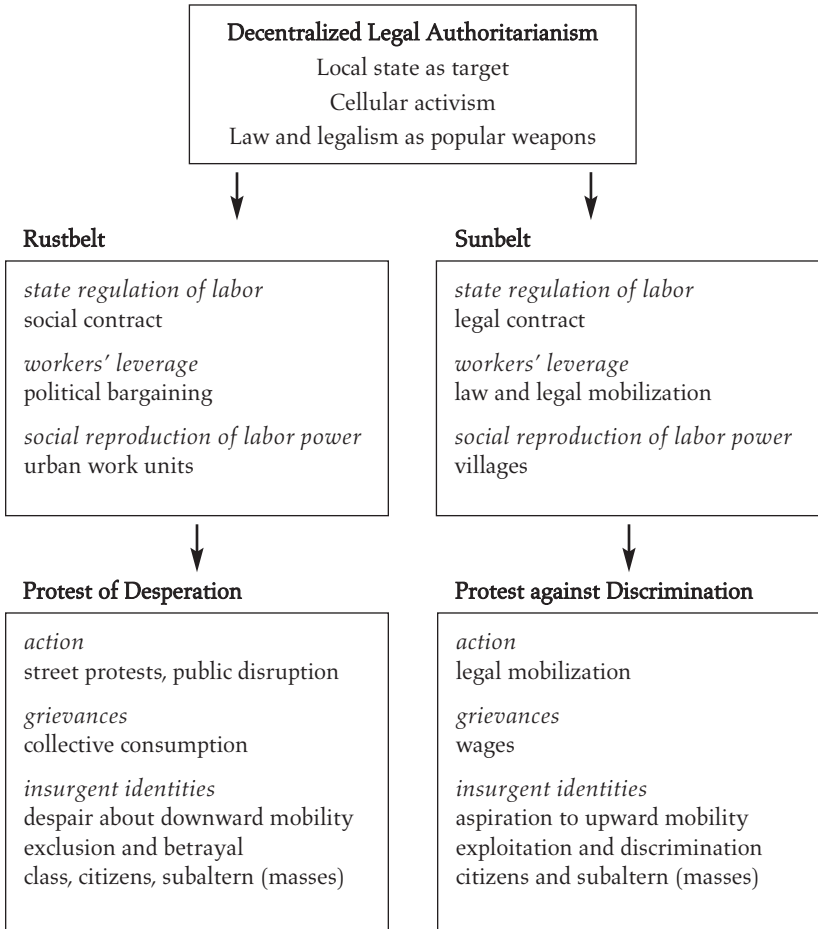


Figure 1. Three Levels of Analysis of Labor Unrest in Contemporary China

strategies of development have profound implications for the patterns and potential of labor activism. In oversimplified terms, decentralization makes local government responsible for developing a probusiness local political economy, while the same local government agents are called on to implement labor laws promulgated by the central government eager to resolve labor conflicts and to maintain social stability. This tension between accumulation and legitimation, between the interests of the local and the central government, gives rise to endemic violation of labor rights and entitlements. The local state becomes the target of worker resistance. Besides, uneven local economic development, a result of both decentralization and

the uneven trajectories of global investment, leads to fragmentation of worker interests across localities and work units, producing cellular mobilization. The central government's promulgation of laws and its rhetoric of legality incite popular responses couched in exactly the same legalistic language.

If the common characteristics of labor protests across the two regions have resulted from the national political economic framework of decentralized legal authoritarianism, the differences in worker struggles are shaped by the diverse modes of state regulation of labor and the systems of social provision outside of waged work. Rustbelt workers' employment in state industries usually dated back to the prereform period when a socialist social contract—an implicit state guarantee of employment security and welfare in exchange for workers' political acquiescence—regulated state and labor relations. In the reform era, the transition from social contract to legal contract has been stalled in the rustbelt, and therefore workers still leverage mass action as a means of political bargaining. Betrayed by the state and excluded by the labor market, their protests are fueled by moral outrage and desperation. I call this pattern *protests of desperation*.

In contrast, in the sunbelt, migrant workers have never been part of the socialist social contract. The state regulates employment and workers through legal contract and the Labor Law, which channel collective action primarily toward the institutionalized, bureaucratic system of labor arbitration and litigation. Because the judiciary is not always independent of the local state administration, however, frustrated workers also take their grievances from the courtrooms into the streets. Without urban residency, the reproduction of labor power for migrant workers takes place in their home villages and not in cities. Therefore, their demands center mostly on wage nonpayment and working conditions, not on levels of collective consumption. Instead of committing acts of desperation, these workers aspire to participate in the industrial economy but are incensed by employers' and local officials' collusion and discrimination against them as "outsiders," or second-class citizens. Hence the term *protests against discrimination*.

Finally, the repertoires of insurgent identity claims mobilized by the two groups of workers are necessary causal conditions for the rise of labor unrest and can be understood as derived from workers' collective history and current institutional contexts. In the rustbelt, the lingering validity of the socialist social contract and workers' collective lived experience with Maoist socialism produce a lively discourse of class exploitation and the moral responsibility of the state to the people or the "masses." The current state rhetoric of legality and the central government's attempt to implement

a system based on the legal contract adds a layer of legalistic claims on top of rustbelt workers' class and Maoist discourse. In the sunbelt, in contrast, migrant workers have never had any experience with socialist industrialism or Maoist class politics, and therefore there is a conspicuous absence of class identity claims. Even the notion of the "masses" echoes only faintly and is usually subordinate to the claim of laborers' and citizens' legal rights. In the following section I elaborate the theoretical implications of these arguments.

WORKING-CLASS FORMATION: FROM NINETEENTH-CENTURY ENGLAND TO TWENTY-FIRST-CENTURY CHINA

Since Karl Marx, labor scholars have explored the connection between a "class-in-itself" and a "class-for-itself," between the objective existence of workers subjected to exploitation and alienation in production and workers' purposive mobilization to act as a class-conscious collectivity. The rich literature on workers' politics around the world has postulated a close relationship between the development of capitalism, a polarized class structure, and proletarianization, on the one hand, and the rise of modern workers who respond to these economic transformations through collective organization and revolutionary action, on the other. This master narrative (of how capitalist development leads to the formation of the working class) forms the bedrock of the working-class formation literature. Important interventions by cultural Marxists, most notably E. P. Thompson's *The Making of the English Working Class*, by comparative historical sociologists, such as those in Ira Katznelson and Aristide Zolberg's *Working-Class Formation: Nineteenth-Century Patterns in Western Europe and the United States*, and by world-system sociologists, exemplified most recently by Beverly Silver's *Forces of Labor*, have also basically subscribed to this causal argument.

Trenchant criticisms, nevertheless, have come from historical sociologists who maintained that democratic citizenship and legal development, not capitalist economic development, are the driving forces for worker agitations. Reinhard Bendix has argued that industrialization increases workers' demand for democratic and citizenship rights rather than class-based interests.²³ Margaret Somers's research on the effect of local legal culture, rather than the development of capitalism per se, on various English working-class communities' proclivity to mobilization challenges the economic determinism of orthodox Marxian interpretations.²⁴ Moreover, reversing the causal primacy of objective class structure leading to subjective class agency, recent scholarship has shifted toward a more practice- and identity-oriented

approach to class formation. Looking at “cultures of solidarity” forged at moments of class conflict,²⁵ “narrative identities” based on local cultures of practical rights,²⁶ or “insurgent identities” developed out of workers’ membership in social networks,²⁷ scholars have accorded a more agentic, transformative role to workers’ practices and identities than was found in the previous generation of scholarship.

In short, not only has the teleology of capitalism turning modern workers into a revolutionary class been abandoned, but also economic determinism has been replaced by contingent and concrete analysis of the institutional arrangements of the economy, the political regime, and legal development. Workers’ practices and identities, fashioned from a wide spectrum of lived experiences beyond the point of production, are recognized as *constitutive* of collective action, not just as intervening variables. These two metatheoretical reorientations of the traditional class formation theory are particularly relevant to the Chinese case at hand.

First, China’s market reform, initially created by the heavy hand of the Chinese communist regime, mixes institutions that can be characterized as both market-oriented and redistribution-based, or capitalist and socialist. Theories that derive from logics of either capitalism or socialism will not suffice to explain the motivations and patterns of labor politics arising out of such hybridity. To understand the dynamics of labor politics in this context of transition, we have to attend to the fortuitous and uneven development of market institutions, state regulation, and legal reform. Second, the fluidity of institutional transformation in transition societies such as China demands attention to popular practices and politics. As a prominent Chinese sociologist observes, in transitional societies such as China, “the totality of praxis transcends structure; it is irreducible to and more than structure.”²⁸ When the political economy and social structure are relatively in flux, workers’ willful use of and practical engagement with fledgling economic, political, and legal institutions result in modes of activism that cannot be read off any presumed institutional map. In other words, transitions are times when institutions do not yet produce stable patterns of labor conflict or their resolution. Employers and state agents, dominant as they ordinarily are in employment relationships, are also gauging the parameters of workers’ reactions to new policies and practices. Subsequently, multiple modes of activism and insurgent identities are crafted, tested, revised, or abandoned, contingent on their effectiveness in the political process.

Metatheoretical orientation does not specify why and how workers engage in labor strife, however. In the theoretical literature, a long-established proposition holds that workers, especially skilled workers, resist

exploitation and degradation in capitalist *production*. Threatened by mechanization and substitution by more vulnerable labor groups, these workers will mobilize to defend their customary control over the labor process, their status system, and their traditional way of life. Unskilled workers, too, demand better working conditions and collective power inside the firm through the establishment of unions.²⁹ In this perspective, workers' grievances are generated from the antagonism of interests between workers and employers inherent in the organization of the capitalist workplace. Marxist analyses of worker consent to capital's hegemonic domination does not challenge this proposition's basic insight that workers' interests are organized and constituted at the point of production.³⁰

Under socialism, it is not so much exploitation in production that prompts resistance but rather conflicts involving the "social contract" between the working populace and the communist state. It has been argued that in return for popular acquiescence to its authoritarian rule, the regime guarantees stable employment and welfare services. Studies have found that erosion of state paternalism is connected with rising trends of open rebellion and covert everyday resistance.³¹ Approaching state-labor relations from the perspective of state domination, several seminal works maintain that "organized dependence" on state redistribution of basic livelihood resources and life chances is the crucible of popular acquiescence and consent under state socialism.³² In brief, if under capitalism worker grievances arise primarily from the realm of production, under state socialism it is the system of redistribution that is pivotal. Either way, these theories explain worker politics by appealing to their material interests conceived as derived from some systemic nature of either capitalism or state socialism, which, in turn, are thought of as political economies with certain coherent logics and tendencies. The empirical case examined in this book defies easy categorization as either socialist or capitalist, and therefore throws into sharp relief alternative mechanisms and logics of labor protests that depart from the prevailing explanatory framework of labor politics. Three points are particularly important. First, the political economy of Chinese reform is characterized by persistent contradictory imperatives and conflicts of interest between the central government and local states. Worker politics derives from these tensions, not from system logics. Second, there is no singular political economy in China. Institutions embedding and enabling the commodification of labor, especially the labor rule of law, are unevenly established in different regional economies, giving rise to diverse local labor regimes and labor politics. Third, worker subjectivity cannot be reduced to material interests. Equally important are workers' sense of dignity, justice, and their need for

recognition. Postsocialist transition in China spawns labor unrest because enormous normative violence has been inflicted on workers.

CONTRADICTIONARY STATE: DECENTRALIZATION, LEGALITY, AND AUTHORITARIANISM

In the transition literature, China's rapid and sustained economic growth has become the gold standard among postcommunist countries. The Chinese state has rightly been at the center of scholarly attention, credited with creating and incubating the market. The emphasis has been on economic decentralization or the state strategy of local accumulation, enhancing incentives among provincial and local communist leaders to liberalize the economy. By allowing revenue retention at the provincial and local levels, fiscal decentralization has generated enormous vested interests among provincial officials to promote and sustain the reform drive, a move to create "a political counterweight to the central bureaucracy and achieve market reform while preserving China's Communist institutions."³³ The positive economic effects of decentralization are captured by several theoretical formulations. "Local state corporatism," for instance, depicts the developmental, market-promoting, and entrepreneurial role of local officials in nurturing the spectacular growth of village and township enterprises.³⁴ Hard budget constraints and local property rights provide the incentive structure fostering competitive local industries.³⁵ Elsewhere, the notion of "competitive liberalism" highlights how the center has induced competition among localities to liberalize the local economy and to provide better infrastructure in order to attract capital.³⁶ Still others have coined the term *Chinese-style federalism* to explain both reform success and the more recent privatization of small and medium-sized state-owned enterprise in the mid-1990s.³⁷

A palpable celebratory metaphysics undergirds this literature, whose focal concern is with explaining "successful" market reform via state initiatives and which sees the Chinese state as developmental. Only recently, with rising social unrest, have a few scholars attended to the dark side of economic reform, or the rise of the "predatory state" in China. Minxin Pei, for instance, identified four institutional factors accounting for the decentralization of state predation: the decentralization of property rights, declining monitoring capability, the availability of new exit options, and the erosion of ideological norms.³⁸ The unavoidable consequence of declining state capacity and appeal of the ruling party is the rising level of rural and urban discontent. Even with this starker perspective, the state is still conceptualized as primarily and solely concerned with accumulation, and as an inde-

pendent, coherent, and self-contained power structure formed prior to interaction with social forces. This view also fails to give due attention to the other state imperative, namely legitimation, and to connect particular modes of accumulation and legitimation with modes of social resistance. In contrast, a dialectical perspective of the state, one that this book adopts, sees contradictions within different state imperatives and insists that state power is not independent of but rather constituted through its engagement with social groups in their acquiescence and activism, triggered by contradictory state goals and policies.

Among existing studies, Zhao Dingxin's study of the Tiananmen protest stands out in that it identifies the gap in state and popular notions of legitimation as a major cause of the escalation of protests.³⁹ But his rather crude categorization of the Chinese state as authoritarian, as opposed to democratic, and his failure to point to institutional sites for the state to secure legitimation leave unexamined the nexus between state policies and collective resistance. Elsewhere, Kevin O'Brien and Lianjiang Li contended that the Chinese state suffers from a monitoring problem that induces misimplementation of central policies at the local level, and thereby creates both the grievances and the opportunities for people to pursue "rightful resistance." They coin the term *rightful resistance* to denote "a form of popular contention that operates near the boundary of authorized channels, employs the rhetoric and commitments of the powerful to curb the exercise of power, hinges on locating and exploiting divisions within the state, and relies on mobilizing support from the wider public."⁴⁰ Notwithstanding its heuristic value, the concept of "rightful resistance" does not take us beyond describing a way of "framing" by those involved in resistance, who turn the regime's policy and legitimating myths into weapons of the weak. Giving short shrift to the historical or theoretical conditions for the emergence, mode of mobilization, and dynamics of rightful resistance, O'Brien and Li fail both to illuminate the specific conflict of interest between different levels of the state and to connect the modes of accumulation and legitimation to the constitution of interests and action modes among the resisters.

This book moves beyond the simplistic, stark contrast between interpretations of the Chinese state as either developmental or predatory and rejects the view that the state is a singular and insulated motor of change. It argues for a dialectical view of the state, pursuing the contradictory interests and tendencies between different levels and units of the state, as well as ordinary people's active engagement with either the developmental or predatory practices of the state. I have found in the arena of legal reform a crucible for the intersection of these two dynamics—a fractured authoritarian state

marked by contradictory goals and interests, and a populace interpellated by the law to become citizens rather than subjects.

Unfolding concomitantly with economic reform in the past quarter century, Chinese legal reform entails a remarkable and momentous increase in law-making activities by the central authority, the professionalization of the judiciary and the legal workforce, and the strengthening of the court as an adjudicator of civil, commercial, and administrative disputes. "Ruling the country by law" (*yifazhiguo*) was formally incorporated into Article 5 of the Constitution in 1999 and has become part of the official lexicon now widely adopted in government, legislature, and Party reports. Between 1979 and 1998, some 327 laws were enacted by the National People's Congress (the corresponding figures were 7 and 122 for 1966–1978 and 1949–1965, respectively) and 750 regulations were issued by the State Council.⁴¹ If authoritarianism was previously predicated on administrative fiat, personality cult, violence, and terror in the Maoist mobilization state, in the reform period it is institutionalized and constructed in the image of a law-based government. Whereas laws and regulations have been used to specify a new framework of property rights to enforce contracts and to organize new market structures, thereby facilitating local accumulation, the central leadership has been equally insistent on the law's political function of maintaining social stability. The president of the People's Republic Jiang Zemin remarked, "Whether it is market regulation or macroeconomic regulation and control by the state, we should constantly sum up our experiences and gradually incorporate them into the law. We cannot possibly foster good order in the socialist market economy in the absence of a sound socialist legal system."⁴² Yet legal reform in China has been stalled by two major contradictions besetting the Chinese regime: (1) the contradiction between the local state's imperative for accumulation and the central authorities' concern with using the law to legitimate political authoritarianism; and (2) the contradiction between the need to maintain the political monopoly of the Communist Party and the binding authority of the law over state agents. These two sets of tensions become political only when the populace takes the law seriously, viewing their self-interest and private needs as citizens' rights and public concerns.

Accumulation versus Legitimation

It has been suggested that a twin crisis of profitability and legitimation characterizes the development of historical capitalism.⁴³ The Chinese reform political economy is also beset by the contradiction between these two imperatives. Economic growth via market liberalization necessarily brings

about intensified inequality and dislocation that undermine regime legitimacy. Labor laws and a new safety net are needed to maintain basic livelihood protection for worker-citizens falling through the cracks of the market economy; hence the central government's promulgation of a large number of labor regulations regarding pensions, medical care, insurance, and welfare. But the central authority's strategy of decentralization, entailing the devolution of both fiscal authority and welfare responsibility, creates problems of local implementation. Enjoying unbridled power in economic affairs and standing to benefit personally and collectively from bringing in investment and economic growth, local officials see their abiding interest in accumulation while they scorn welfare reforms as unfunded mandates thrust upon the localities by the center.

In the 1990s, Beijing demanded repeatedly, but in vain, that local governments guarantee payments to retirees and laid-off workers. The lack of local response to this legitimation concern often forced the central government to pitch in emergency funds when worker unrest reached a level to cause central consternation about social instability. In old industrial provinces such as Liaoning, which is saddled with a high concentration of retirees and laid-off workers from bankrupt state factories, the central government had no option but to apportion special relief funds to the provincial governments, out of concern for maintaining social stability. In 2000, the central government pitched in 45.8 billion yuan for local governments to repay owed pensions and laid-off worker livelihood allowances.⁴⁴ Leaders and cadres of impoverished inner and northeastern provinces allegedly tried to hold Beijing hostage over the proliferation of labor unrest, in an attempt to demand more central funding for economic development and social insurance payments. In 1998, an extra 300 million yuan was allocated to these provinces as emergency funds.⁴⁵ As long as localities give priority to accumulation over legitimization policy, reflecting officials' interest in short-term and concrete financial gains, implementation of labor legislation will be hampered. The pursuit of local accumulation without a corresponding emphasis on welfare and equity has begun to chip away at the regime's legitimacy. Elite obsession with economic growth has generated intense discontent among workers whose livelihood security has been severely undermined by market competition. Perhaps in response to the seething popular discontent expressed through various kinds of social unrest, the new national leadership that came to power in late 2003 has vowed to pursue a broadened agenda of "social development," or "growth with equity." Yet the underlying tension between central and local government power and interests remains.

Economic Liberalization versus Political Monopoly

The difficulty of enforcing central government legislation is related to a second contradiction of the Chinese regime. The persistent monopoly of political power in the hands of the Chinese Communist Party has come into conflict with the legal reform it seeks to establish in tandem with the market economy. The legal scholar William Alford writes of a genuine ambivalence in the Chinese project of legal construction: "On the one hand, they wish to reap the advantages of liberal legality in terms of its perceived capacity to support economic growth, engage the international community, and legitimize the existing regime. On the other, however, they aspire to do so without being unduly subject to its constraints. . . . In effect, this design is the counterpart in law of the larger effort to carry out a substantial transformation of the economy without a commensurate relinquishing of political control."⁴⁶

Without any countervailing political opposition or competition, this contradiction has resulted in an authoritarian regime of "rule by law," not a "rule of law" that can restrain the government itself. Central government law and regulation may provide a wide range of rights and entitlements for workers, but when these are in conflict with local government's procapital interests, the judiciary often succumbs to administrative interference. Poor enforcement of the law is caused by the courts' lack of institutional autonomy vis-à-vis local government. "Local courts are beholden to the interests of local governments. . . . [C]ourt budgets and the salaries and welfare benefits of judges are determined by the local government, not by the Supreme Court of the central government. It is standard procedure to reduce a judge's bonus according to the number of verdicts reversed on appeal, a situation that discourages judges from cooperating with lawyers and from deciding cases according to legal criteria."⁴⁷ Labor bureaus, responsible for enforcing the Labor Law, are marginalized and play second fiddle to economic and commerce bureaus in the local bureaucracies. Labor officials have reported extreme difficulties in imposing fines and penalties on employers for violation of the law, owing to the general priority given to creating a favorable investment climate. "Our job is to educate employers on the Labor Law, not punish them," proclaimed one Guangdong labor official.⁴⁸

Like a double-edged sword, decentralized legal authoritarianism both fulfills the regime's instrumental goal of economic growth and political control and generates popular activism by furnishing the aggrieved groups with both a vocabulary and an institutional mechanism to express their demands and seek redress. Combined, the contradictions between accumulation and

legitimation and between economic liberalization and political authoritarianism have significant consequences for labor politics. The gap between central regulations and local implementation has undermined working conditions in the sunbelt and collective consumption in the rustbelt. Workers with grievances about nonpayment of wages and pensions and other conflicts demand redress citing central government regulations. Paradoxically, though, the same central-local state tension has led to a bifurcation of regime legitimacy and therefore a localized, rather than national, pattern of labor agitation. The common view found among aggrieved workers is that the central leadership is protective of workers, as evidenced by the numerous laws Beijing has promulgated, whereas local officials are corrupt and unfit to rule because they fail to enforce central regulations. When workers protest, their targets have always been enterprise managerial cadres and their superior officials in local industrial or labor bureaus. Decentralization, coupled with marketization, also contributes to the perception that Beijing can no longer totally determine the economic conditions of individuals and enterprises as economic power has been delegated to local officials. As Vivienne Shue has noted, as legitimate responsibility for the economy has been dispersed and to some extent obfuscated, workers are prone to frame protests in limited and localized ways. "The combined effects of decentralization and marketization have worked to the advantage of the central state, making it somewhat easier for the center to contain and quell those protests that have arisen while simultaneously sustaining its own appearance of legitimacy."⁴⁹ It is questionable how long such a bifurcated popular view of a legitimate center presiding over a hierarchy of local venality can be sustained without being replaced by a more integrated view of systemic corruption and illegitimacy. But for the moment at least, what is significant is the prevalence of legal rhetoric as the idiom of activism. "Against the law" becomes the shared accusation used by workers, employers, and officials alike in labor contests.

REGULATION AND SOCIAL REPRODUCTION OF LABOR

If the national political economic structure and its inherent tensions are pivotal in constituting the common features of labor protests (that is, decentralized and localized targets, cellular activism, and legalism), the divergent patterns of protest (that is, protests of desperation and protests against discrimination) have to do with how specific labor systems have been established in various regions. Michael Burawoy's notion of "labor regime" is a powerful analytical tool linking state regulations of labor (through legisla-

tion on contracts, minimum wage, social insurance, collective bargaining, and the like) and the social reproduction of labor power (i.e., means of subsistence, daily and generational reproduction of the capacity to labor) to workplace control and workers' capacity for resistance. The idea is that what happens at the point of production between labor and management and among workers is related to how the broader political apparatus intervenes in the regulation and reproduction of labor. In China, as chapter 2 will elaborate, market reform in the past quarter century has entailed a transition between two systems of labor regulation: from one based on social contract to one based on legal contract. It has proved to be a contentious and uneven process, whereby moral, economic, and legal claims and counterclaims are made by state officials, management, and workers engulfed in numerous and intense local conflicts. The social contract "instituted" in the socialist era was a general and implicit exchange between the paternalistic state and a politically acquiescent populace. There was no legal document stipulating the terms of this socialist social contract, only shifting policies that varied greatly according to the political and economic needs of the state in different periods.

In the reform era, the transition from social contract to legal contract was stalled in the rustbelt owing to the challenge of the local economic structure (declining state-owned heavy industries), the financial predicament of enterprises, corruption among local officials, and workers' economic dependence on and moral expectation of state paternalism. Labor laws and regulations were promulgated but not always implemented in practice. The legal and bureaucratic systems were hotbeds of corruption, not responsive or effective in resolving labor conflicts. Rustbelt workers, steeped in the logic of the socialist social contract, saw their leverage in mass action as a means of political bargaining. In contrast, in the sunbelt, the influx of foreign and domestic private investors and the recruitment of young migrant workers, both outside the traditional socialist social contract, compelled the local state to regulate employment and workers through legal contracts and the Labor Law. When conflicts arise, migrant workers' first response was to leverage the only institutional resource available to them—the law and the bureaucratic system of labor arbitration and litigation. Because the judiciary and the labor bureaucracy are not always independent of local state administration, however, frustrated workers who have exhausted their legal options are also prone to take their grievances from the courtrooms into the streets.

The ways in which labor power—the capacity to work—is reproduced on a daily and generational basis shape both the potential and the limits of collective mobilization. In China, as we shall see, dormitories for migrant

workers in export factories and residential quarters for state socialist workers are both geographically close to the site of production, forming self-contained, all-encompassing communities where work and nonwork lives take place in the same localities. This residential pattern facilitates communication and the aggregation of interests, especially at the moment of labor conflict. A major difference between the two types of communities, however, is that state workers' residence survives the termination of their employment, in contrast to the itinerant status of migrant workers, whose residence in the cities is contingent on their employment. Thus, labor struggles in the northeast have the potential to last for longer periods, up to several years in some cases, than in the south.

There is another significant way in which workers' capacity is shaped and limited by how labor power is reproduced, that is, by how workers survive beyond their participation in and dependence on waged labor. Here I find that lingering "socialist" entitlements play a key role in limiting both migrant workers' and veteran state workers' capacity to sustain mobilization. Specifically, the birthright of migrant workers with rural household registrations to plots of land in their home villages and the urban housing reform that turned work-unit housing into state workers' private property are buffers against the nonpayment of wages and unemployment. Many state-owned enterprise workers, in some places 42 percent of working-class households, bought the property rights to their previous welfare housing units in the 1990s.⁵⁰ Workers can resell these urban properties, turn them into rental units, or pass them on to their offspring, even after retirement or plant closure. Housing is perhaps the most important and enduring of all redistributed goods. In the countryside, land ownership remains collective to this day. Since the dismantling of the communes in the late 1970s, land use rights of the individual peasant have been legally guaranteed by the state, and agricultural land is allocated to the household unit to which that peasant belongs. The most recent 1998 Revised Land Administration Law has reaffirmed the principle of equal distribution of land and peasants' land use rights have been guaranteed for at least another thirty years. This land rights system allows employers and the state to sustain a low-wage labor regime, as the cost of the social reproduction of labor is partly absorbed by the rural communities.⁵¹ It also channels workers' aspirations, sense of belonging, and survival strategies back to the countryside. Many labor disputes end with migrant workers leaving the cities and dissipating into the vast countryside for basic subsistence. As the erosion of peasants' land rights has increased since about 2005, and as the second generation of migrant workers increases in number, we may see changing dynamics of labor poli-

tics in the coming years. Yet, up until the turn of the new millennium, the rural land rights system had a dampening effect on urban labor strife.

In short, rural land rights and urban homeownership are forms of state redistribution that cushion workers from destitution and dispossession caused by market competition. These policies produce in each group of workers a degree of dependence and allegiance to the reform regime and the economic order that marginalize them. At the same time, the different entitlements from which the two groups of workers benefit produce and reproduce rural-urban boundaries that fragment the working class from within. They have come to see each other as having fundamentally different life chances and economic interests.

REPERTOIRE OF INSURGENT IDENTITIES: PROLETARIAN, CITIZEN, AND SUBALTERN

Economic and legal reforms entail not just the transformation of institutions but also shifts in standards of justice, values, and subjectivity. The promulgation of laws, and the associated discourse of citizenship and legal rights, for instance, allow workers to view the self as public and to recognize the discrepancies between legal prescriptions and experiences of the absence of legal rights. The making and remaking of the labor subject must be an integral part of any story of labor activism as a force of social change. Examining the micromobilization processes of labor unrest throws into sharp relief how “needs,” material and moral, are always defined through the prisms of collectively held sense of dignity, entitlement, and rights. Across the two regions and two generations of workers, the striking similarity is how indignation experienced in the commodification process spurs workers to action. Repeatedly, I have seen that wage defaults and pension arrears were experienced primarily as assaults on workers’ prevailing sense of justice, worthiness, and humanity, standards variously defined by socialist ideology and institutions (the social contract) and the Labor Law (the legal contract). The theoretical significance of underscoring this moral and emotive dimension of labor protests, or the labor politics of recognition, is that it reverses the causal logic of a widely accepted proposition that workers resist when they have the capacity or institutional leverage to do so.⁵² Given the large labor supply, the prevalence of unskilled and low-wage jobs, and the nonexistence of independent unions, Chinese workers can hardly be described as having much marketplace, workplace, or associational bargaining power. The data presented in this book, however, suggest that the need for recognition and justice can be so powerful that they can prompt mobi-

lization even in the face of formidable political barriers. Mobilization generates political leverage, not vice versa. Beyond China, we find significant instances of “powerless” laborers, such as immigrant workers and low-end service workers, building successful movements based on symbolic power and social justice claims.⁵³

This brings us to the third element in my analytical framework: labor subjectivity. Historically, labor studies have documented three potential insurgent identities the modern worker forges in action: proletariat, citizen, or subaltern. The working-class formation theory predicts the rise of modern workers as class actors, who use class as “a way of organizing, thinking about, and acting on society.”⁵⁴ Class designates a shared position in the division of labor in production, generating shared material interests among class members in opposition to another class. The revisionist argument of Margaret Somers suggests that it was as citizens, not as members of the working class, that workers in nineteenth-century England seized on national labor law to advance their collective interests. The driving force of their collective activities was expectations informed by their understanding of the legitimate rights of membership for all citizens of England’s national polity. “The language of rights . . . was the explanatory prism through which class issues and other aspects of social distress were mediated and understood.”⁵⁵ Elsewhere, the postcolonial labor history of Dipesh Chakrabarty makes a powerful case for a different labor subject in the struggle of the Bengalese working class. He argues that the Indian worker is not the abstract, liberal subject assumed in Marxist theories that take liberal English society for granted. Indian workers are subalterns who, while they labor on the shop floor and participate in strikes and unions, carry with them identities defined by a hierarchical community marked by distinctions based on birth: religion, language, and kinship. “The incipient awareness of belonging to a class remained a prisoner of [their] pre-capitalist culture,” he writes.⁵⁶

The analysis of the subject in labor action must be historically and culturally situated, and cannot be determined a priori and in abstraction from theories. Which of these images—the proletarian, the citizen, or the subaltern—reflects the living reality and identity of the Chinese worker in protests? The two snapshots of labor protests depicted in the beginning of this chapter, like many others that are documented in this book, indicate that Chinese workers are experimenting with multiple insurgent identities, drawing on and inventing a repertoire of subjectivity and rhetoric that has roots both in their shared historical experiences under socialism and the new institutional environment in the current reform and globalization era. Instead of fixating and reifying workers’ identities, I should recognize their

context-dependent contingency and diversity. Contingent on varying local conditions, they invoke and combine class, citizen, and subaltern consciousness and praxis to make claims asserting their dignity, rights, and entitlements. In other words, my account seeks to reveal, rather than reduce to singular theoretical logic, the multiple formations of political agents that mark this period of economic transition and institutional ambiguity. At a time when workers confront the challenge of crumbling old practices and fledgling unpredictable new policies, when it is hard to speak of structured or formal norms, there is more room and necessity for political experimentation from below by those who are ordinarily subordinated. The political poignancy of labor activism in the current period lies in this multiplicity of insurgent identities, their uncertain effectiveness, and their continuous evolution. In brief, what I have found is that workers are testing old and new cognitive, moral, and action frames inadvertently provided by state ideologies, to find out which ones work under what conditions at a time when institutions are in relative flux. If the reform leadership is “groping for the stone as they cross the river” in charting the course of economic reform, a process of experimentation with popular resistance is its mirror image.

Let’s consider “class” subjectivity. Workers in the northeastern rustbelt, after decades of official indoctrination with Marxist ideology and firsthand experience with “cradle-to-grave” work-unit welfare, are acutely aware of the rise of new and powerful dominant classes, be they government officials or former state factory managers. Even as the discourse of class has disappeared from the media, academia, and official propaganda, the language of class leads a subterranean existence in veteran state workers’ reminiscences of the bygone days of Chairman Mao. A particularly prominent element in working-class subjectivity is workers’ claim of collective ownership of their work units. The official ideology of “workers as masters of the enterprise” was a lived experience under Mao, many asserted. From time to time, we see how this “class-based” sense of entitlement, rights, and dignity fuels powerful feelings of injustice and rage and spurs action, as in the Liaoyang incident described at the beginning of this chapter. But the Chinese state allows little political space for workers to form class-based organizations. To date, attempts at lateral coordination among workers have been met with severe sentences imposed by a state determined to nip in the bud any autonomous, organized dissent, whether it takes the form of unions or of political parties. In the sunbelt, the younger generation of migrant workers, who came of age when official ideology had begun deemphasizing class struggle and are therefore less conversant in class rhetoric, nevertheless complain about being dehumanized as “little more than appendages to machines” and deem

that not getting paid is the worst form of "exploitation." Workers may relish their fleeting success with strikes that manage to force employers to pay back wages or reduce production quotas. Yet the pressure to make a living and the fluidity of the labor market do not lead easily to collective organizing of any kind. In short, Chinese workers' class consciousness exists as a fading relic from the past, and the persistent weakness of workers' class capacity is not likely to nourish or sustain its development.

The most empowering identity workers have found is grounded in one variation of citizenship—citizens' right to legal justice (*gongmin de hefaquanyi*). Workers enthusiastically embrace the regime's project of legal reform and the construction of a law-based, corruption-free government. Statistics of workers filing for arbitration or lawsuits attest to a rise of rights consciousness. If class struggle was the official ideology in the Maoist era, then legality or *fazhi* (rule by law) is that of the reform era. As workers and the general public learn to articulate their grievances and demands by adopting the language of the state, in this case legalistic language, a process of subject formation takes on a life of its own. As Göran Therborn notes, "people . . . are subjugated under a particular force or order at the same time that they are makers and creators of something. . . . [I]nherent in this double sense of the subject is the always present possibility of transcendence of social and personal givens."⁵⁷ When they are subjected to the state-prescribed appellation of *citizens*, workers become qualified or interpellated to act as citizens in the way they define citizenship. But workers' subjectivity is the result not just of ideology but also of praxis. When legal recourse always proves ineffective, owing to the courts' institutional subordination to the government at all levels as well as rampant corruption and collusion between business and government, many workers have become "disillusioned citizens." In trying to exercise their rights, many workers have found that they do not have any. Citizenship is an empty slogan and status, but because it is the language of the state, workers' banners and petition letters are laced with legal terminology and logic. Yet, sometimes the court does follow the law and incites popular usage of the legal system. Under these circumstances, workers-as-citizens are a political agency in the making; they falter in some places but make headway in others. Every favorable arbitral award or court verdict spawns new desire and aspiration among workers to affirm their labor rights and interests through the legal system.

A third kind of insurgent identity and action strategy found among Chinese workers in the reform period is that of the subaltern—in Chinese *qunzhong* (the masses) or, more recently, *ruoshi qunti* (weak and disadvantaged social groups). In protests, petitions, and private conversations, work-

ers refer to themselves as the working masses (*gongren qunzhong*). Tellingly, workers today often use this term interchangeably with *ruoshi qunti*. The “masses,” a concept that originated in the Chinese Communist Revolution and the Maoist mass line, consisted of workers, the peasantry, the intelligentsia, and the national bourgeoisie. The masses’ interests were harmonious with one another and also with those of the state, and their political energy and spontaneity were to be cultivated and harnessed.⁵⁸ Cadres were instructed to guide and encourage the masses to participate in the construction and defense of socialism under the leadership of the Party. Indeed, the masses are conceived as a powerful force in the Chinese polity, and the authoritarian state from imperial times to the Maoist era has accorded them the moral responsibility to rebel against injustice and immoral, venal power.⁵⁹ What is notable about the masses as a political agent is that it has survived “class.” The appellation *the masses* still occupies a prominent place in official propaganda, most significantly in Jiang Zemin’s theory of the “Three Represents,” one of which is representing “the fundamental interests of the broad masses.” In the 1990s, the new term *ruoshi qunti* became popular, used by the government, the media, and academicians to refer to social groups among the masses that have been relegated to disadvantaged social locations by structural reforms. The central government recognizes the plight of migrant and unemployed workers in the reform era, and it affirms its moral responsibility for protecting them through the legal system or a new safety net. Workers readily invoke this new label of the *disadvantaged masses* to criticize the lack of state protection.

But in embracing such an identity, they also reveal and reinforce a hierarchical political imagination—the central state is the source of omnipotent power and paternal authority from which flows protection for workers. The political logic of the masses also imposes limitations on workers’ activism. Ever cautious of the heavy hand of a repressive state authority, workers rarely dare to pursue lateral mobilization across factories, limiting themselves instead to localized disruption that they hope can generate social and political pressure on local officials. That is, workers organize cellular mobilization based on one single work unit, which is usually tolerated by the local government, and petition superior officials who then pressure local officials to respond to workers’ demands. At the first signs of official concession or repression, workers retreat for fear of retaliation or lack of organizational resources to press on. But again, the subaltern is a living, reflexive political agent capable of changing practices, not one who is imprisoned in her own traditional culture or predetermined by economic and political

institutions. Over time, we may expect Chinese workers to develop greater capacity for solidarity than what they have so far demonstrated.

Processes and identities of grassroots political mobilization everywhere are relational and emergent, sociologists of contentious politics have observed.⁶⁰ In China, institutions of state socialism are partially but not totally dismantled, while a contract-based capitalist employment system is being only unevenly instituted. Values, norms, and regulatory frameworks of state-labor-capital relations are in the process of formation and contestation. Within narrow limits, institutional uncertainty generates multiple modes of labor strife and the simultaneous invocation of different worker traditions and idioms of insurgency. In any case, these local sites of struggle are the crucibles of "transition" out of which institutions and subjects are made and remade. The long-term outcomes of labor conflicts are therefore less than predictable. But it would be a misguided oversimplification to suggest that these multiple trajectories of labor politics necessarily portend either successful building of a law-based state or aggravating labor upheavals that would eventually challenge communist rule.

FROM CLASS STRUGGLE TO LIVELIHOOD STRUGGLE

The analytical framework presented here for understanding patterns of labor politics during the Chinese transition has highlighted the conjunctural interaction of (1) the contradictions inherent in the Chinese state's strategy of accumulation and legitimation as providing the structural conditions for popular grievances; (2) the system of labor regulation and social reproduction of labor power as constitutive of labor interests and capacity, and (3) the discourses of class, Maoism, citizenship, and legality as the repertoire of standards of justice and insurgent identity claims. In short, the theoretical framework developed in this book departs from existing theorizations of labor unrest that privilege either capitalism's structural logic, as found in Beverly Silver's elegantly argued *Forces of Labor*, or the Chinese state's incapacity, most conceptually articulated in Minxin Pei's *China's Trapped Transition* and Kevin O'Brien and Lianjiang Li's *Rightful Resistance in Rural China*.

By attending to ordinary workers' lived experiences and collective subjectivities in the making, in the contexts of evolving institutional reforms, this book seeks to document and explain the potential and limitations of Chinese labor as a force of social change. The organizing concept that ties the chapters together is "livelihood struggles." It encompasses both collec-

tive resistance in the forms of petitions, protests, and strikes, and individual and familial survival strategies taking advantage of state redistribution and market opportunities. By linking resistance and survival in a single study, I hope to understand both why workers mount a remarkable level of resistance to reform but also why they have not become more radical.

To shift our analytical focus from “class struggle” to “livelihood struggle” is to recognize the multiple dimensions of labor politics and agency. In his *Spaces of Hope*, David Harvey retrieves from Karl Marx’s early work the notion of the worker as a living subject. Writing mainly about workers’ bodily subjectivity and its multiple positionalities with respect to capital circulation and accumulation, Harvey stresses that the worker is not a singular economic category. “The laborer as a person is a worker, consumer, saver, lover, and bearer of culture, and can even be an occasional employer and landed proprietor.”⁶¹ Moments of production, exchange, consumption, and social reproduction may generate different politics. That is why workers in this study protest with the same conviction and resolve with which they exploit opportunities in the market and relish the modicum of redistributive resources at their disposal. The resultant pattern of labor politics, like that of Guha’s subalterns, oscillates between “a conservative tendency made of the inherited and uncritically absorbed material of the ruling culture and a radical one oriented toward a practical transformation of a rebel’s condition of existence.”⁶² Or as Harvey notes of contemporary labor struggles under the onslaught of neoliberal globalization, on the one hand, “there is the revolutionary urge to become free of the embeddedness within the circulation of capital that so circumscribes life chances, body politics, and socio-ecological futures. On the other [hand], there is the reformist demand for fair and proper treatment within the circulation process, to be free, for example, of the ugly choice between adequate remuneration in consumption and abject submission in production.”⁶³ Indeed, a deep ambivalence toward China’s socialist past and capitalist present lies at the core of the working-class experience in the reform period. “The working class is neither pure combativity, nor pure passive dispersal, not pure institutionalized apparatus. It is a complex, moving relation between different practical forms.”⁶⁴

ORGANIZATION OF THE BOOK

My task in this book is to suggest the specific conditions, constraints, and concerns of Chinese workers who participate in these collective mobilizations. The twin questions that thread through the mosaic of stories, events, emotions, and human faces in the following chapters are: How and why

have Chinese workers staged as much resistance as they have? And why have protests largely been bottled up in particular workplaces or localities and seldom escalated to larger-scale and more challenging horizontally organized dissent? In short, I ask whether labor unrest in the reform era signals the formation of a Chinese working class in the world's fastest-growing economy with the world's largest workforce.

Chapter 2 is an overview of the uneven transition from social contract to labor contract as a framework for regulating employment relations and reproducing labor power. It is also a brief history of what Polanyi would term "a double movement" of commodification and social protection through state legislation. On the one hand, the restructuring of the Chinese industrial economy has led to the rise and growth of nonstate economic sectors, the shrinkage of state industries, and the recomposition of the workforce. As an older generation of workers were let go from bankrupt or sold state-owned enterprises, a new generation of migrant workers have moved into urban factories producing for a global market. On the other hand, as commodification of labor proceeds apace with market reform, the Chinese state has attempted to put in place an elaborate legal framework, replacing the erstwhile socialist permanent employment system with labor contracts and a new contribution-based safety net. The chapter explains how the various pieces of labor reform have worked or faltered. Owing to the scope of their impact, these institutional reforms have provoked public debate, circulating a range of moral and linguistic resources that would enter into workers' world of resistance and acquiescence. In sum, chapter 2 argues that labor reform is a stalled transition between a system of labor relations based on social contract and one based on legal contract, caused by the local state's priority of accumulation at the expense of legitimation and by the weakness of the legal system under political authoritarianism.

Chapters 3 and 4 examine protests of desperation, or the pattern of labor struggles and survival among veteran state sector workers in the northeastern rustbelt in the past decade. Chapter 3 focuses on the politics of different types of unrest, including protests against pension arrears, bankruptcy, and neighborhood problems. Although cellular activism predominates across these various kinds of protests, on rare occasions, this localized and fragmented mode of popular contention has demonstrated a tendency to become radicalized and politicized. In any case, workers in protests have mobilized three different kinds of insurgent identities, drawing on a rich repertoire of political discourses, including Marxism, Maoism, and legality, that have arisen under Chinese socialism and postsocialism. The chapter argues that the disintegration of the social contract and the informalization of the new

contractual system have produced moral and material grievances. From the ruins of the socialist work units, rustbelt workers organized to make claims about the value of their labor, but their oppositional consciousness exceeds their mobilization capacity. Chapter 4 extends the realm of livelihood struggle from protest to consciousness and praxis grounded in workers' everyday life world. Housing entitlements and arrangements, reciprocity within working-class families, and participation at the margin of the market economy allow aggrieved workers and their families to survive, even as the working-class community is in the process of disintegration. Workers' collective memory and assessment of their past and present livelihood reveals a deep ambivalence toward the regime that places limits on their militancy.

Chapters 5 and 6 turn to protests against discrimination by the new generation of young workers in the sunbelt province of Guangdong, where export industries have created a seemingly insatiable demand for this new workforce from China's vast countryside. In chapter 5, I show that despite their difference in age and generational experience from rustbelt workers, despite their coming from a different side of the urban-rural divide, and despite their being employed in a different ownership sector, aggrieved migrant workers, like unemployed and retired rustbelt workers, adopt a predominant mode of mobilization that is cellular and workplace-based. The most common causes of unrest in the sunbelt, however, unlike in the rustbelt, are the nonpayment of wages and exploitation and degradation in the workplace, not collective consumption. Falling outside the moral economy prescribed by a socialist social contract, migrant workers see the law as providing their only institutional leverage in situations of labor conflict. Their mobilization targets local officials and employers and they work through the legal channel, the labor bureau, and the arbitration system. When these institutionalized channels fail to deliver justice, migrant workers turn to the streets and pursue direct action. Instead of desperation growing out of market exclusion and state betrayal, these migrants see their major challenges in exploitation and discrimination, and they demand equal legal rights as citizens. Their insurgent identities are couched more in terms of citizenship and the marginalized and less in the idiom of class than are the insurgent identities of rustbelt workers. Chapter 6 depicts migrant workers' way of life, which entails rural and urban residence, social relations, and economic exchanges. The experience and economics of *dagong*, or laboring for the bosses, cannot be abstracted from the larger fabric of workers' village lives. It is where the social reproduction of labor power is organized: getting married, building a home, raising and educating children, and subsistence farming. Migrant workers' land use rights in their birth villages are a key nexus

connecting their work lives with their family lives, and provide an alternative means of survival in times of unemployment or injury. This safety valve, like rustbelt workers' housing benefits, has important stabilizing effects amidst the rising tide of labor unrest. In interesting parallel to the ambivalence of the older generation of workers toward the reform regime, migrant workers also see both progress and injustice in their mixed status as workers and farmers.

Chapter 7 concludes this study with a double comparison: extending from the Chinese rustbelt and sunbelt into similar local political economies elsewhere in the world; and then within China, comparing labor activism with mobilization by farmers and homeowners in the reform period. American workers confronting deindustrialization in the 1980s experienced the same economic and moral dislocation as Chinese workers today, and they also mobilized to demand legislative protection for mortgaged homes, unemployment benefits, and community buyouts of closing plants. Workers in Mexico's export industrial regions and South Korea's light and heavy industries, or an earlier generation of Chinese workers before the Communist Revolution, like Chinese migrant workers today, have fought against exploitation and state repression of independent unionism. Notwithstanding these structural similarities, the chapter also finds that Chinese labor politics in the reform era has come up against particularly daunting hurdles presented by the combined effect of a repressive state-business alliance and a society with little transnational or domestic social movement support. Workers in these other societies have at least benefited from elite cleavage, party or union competition, or social movement associational resources. With so little going their way, Chinese workers' struggle in the past two decades can indeed be considered daring. Finally, returning to China itself, emerging trends of social protests by farmers and the urban middle class point us toward the centrality of the law and legal institutions as a tool of authoritarian domination. Both these latter types of politics share with labor protests the emergent characteristics of legalism, localization, and decentralization. The convergence with workers' struggle on the terrain of the law reinforces a major observation of this study that the law has become a most contested terrain for class and citizenship formation in China.