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China

Rebellion in the rust belt

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The Peoples Republic of China (PRC) has joined the WTO (World Trade Organization), not without difficulty and after 15 years of determined effort by a regime which is described as post-Maoist but which is in fact anti-Maoist in its social and economic logic. The next congress of the CCP will be held in the autumn. It is supposed to draw a balance sheet of the Deng Xiaoping years and organize the succession, or the appearance of succession, to the direct heirs of Deng around Jiang Zemin.

The congress should also review the economic evolution of a country which is increasingly open to the international market economy (or rather ratify agreements made by the leadership) as well as the progress of privatisation. All this in a context of persistent social crisis which, having affected broad sectors of the peasantry, is now hitting workers, particularly those in the state-owned sector of the economy, almost everywhere but most particularly in the old bastions of heavy industry in the north of the country and in the oilfields of Daqing. In Liaoyang, capital of Liaoning, and in Daqing, there has been significant workers' agitation following massive layoffs. [1]

Social crisis and WTO entry

In December 2001, the PRC officially joined the WTO. For the régime, it was the victorious outcome of a long battle. For the so-called international community and above all for world capitalism, it was good news, with the prospect of a China more solidly tied to the market and the constraining laws of capitalism, under the leadership of the WTO policeman. For the so-called reformist current of the CCP it promised economic benefits and the culmination of the new course which had begun modestly at the end of the 1970s and since then has completely transformed the economy and the social nature of the 'Communist regime' established by Mao in 1949.

And the people? Many promises have been made to them. They should, they have repeatedly been told, benefit from the effects of the new economic policies, including in terms of jobs. Consumers, for their part, were to enjoy better and cheaper access (because of lower customs duties) to the consumer products of the industrialized countries, considered to be of better quality and thus more prestigious for those who can get hold of them.

While these happy days are awaited, the social crisis continues and deepens. Social agitation has reached explosive levels in some northern regions of the country. The prerequisite of China's integration in the world economy is a gigantic restructuring of the economy and, since the mid-1990s, the state sector in particular. This latter had until then constituted a pillar of the régime of 'actually existing socialism' - a socialism which was largely non-existent but reasonably favourable to the workers' living conditions - and accounted for the brunt of the industrial sector. The restructuring led to a new extension of the private or semi-private sector, and to massive layoffs, open or disguised, of state sector workers.

Heavy industry in China has been significantly concentrated in the northeast, in the three provinces of the former Manchuria, occupied by Japan from the early 1930s. The Japanese authorities transformed these regions into zones of heavy industry to meet their war needs. In 1949, the Chinese Communists inherited this potential; in fact, it was the only heavy industry they had at their disposal. The new Maoist regime set up heavy industrial factories in other regions (or in Shanghai, before 1949 rather dominated by light industry). The northeast would remain, however, the main centre of Chinese heavy industry, in particular the province of Liaoning and its capital Liaoyang. Liaoning was for some decades the only province of the country that was not in its majority agricultural.

It was in this part of the country that the Chinese would discover their first significant oilfield at Daqing, in the province of Heilongjiang, which for a long time provided a welcome self-sufficiency in the strategic area of oil. The oilfield of Daqing, established in a very voluntarist manner by the régime in the early 1960s, became one of the big Maoist projects; it was supposed to illustrate the precepts of the Great Helmsman, the Chinese road to socialism, starting from nothing. A little like the steel town Magnitogorsk in the USSR, constructed in the middle of nowhere in the early 1930s and the incarnation of the 'socialist' city of heavy industry in the Stalinist mould. Daqing was to demonstrate a capacity for self-sufficiency, to bear out the Maoist precept of 'relying on one's own strength'. It was also intended to ensure self-sufficiency in oil for a country largely turned in on itself and living by its own means, including in terms of food resources. Up to 200,000 people worked at Daqing. It was one of the big symbols of Maoism, the pride of the country, which had in a few years freed 'socialist China' from the fear of having to depend for its energy needs on an external world which was hostile to it.

Whether Daqing was as self-sufficient as the régime claimed remains to be seen. Other experiences in China, which were equally famous for having admirably put into practice this Maoist self-sufficiency, have been revealed as very illusory. Whatever the truth, the oil sector and Daqing in particular constituted the apple of the régime's eye and a sector which was well protected.

Even in the years after Mao's death (1976) the oil lobby was strongly represented in the summit of the party and government; it was a power to be reckoned with. However, the logic of the market and of capitalism (private and state) have changed the situation and overturned the relationship of forces.

Workers' explosions in Liaoyang and Daqing

The most serious workers' explosions of recent years have taken place in Liaoyang and Daqing where the effects of the restructuring of the state sector have been most keenly felt.

The northeast has become the Chinese 'rust-belt', covered with obsolete factories which are unprofitable according to the current economic logic, and in the face of international and indeed national competition. Liaoyang, with a population of 1.8 million inhabitants, is the capital of the province of Liaoning, which two or three decades ago had the highest standard of living per inhabitant of any Chinese province (not counting the three big cities, Shanghai, Beijing and Tianjin, which have the status of provinces), and the highest rate of urbanization. This city is now ravaged by unemployment, which affects between 60% and 80% of workers in the state sector. A disaster which is all the more serious in that nothing, or very little, has been done to prepare for this collapse, establish alternative industry or respond to the problem of social protection of workers peremptorily thrown out of work.

Hence the explosion of a revolt which for many represents a revolt of despair. Nonetheless one can also hope that it represent the real beginning of a significant independent workers' movement.

The reasons for an explosion

Tens of thousands of acts of workers' opposition of every kind have taken place nationwide - some official sources speak of more than a quarter of a million 'incidents' at work for 2001, growing constantly from one year to another. The surprise is that the revolt is not clearer and sharper. The worst frustration stems from the rapid devaluation of workers' symbolic and real status. China has never been a 'workers' state' in the sense of being a state of the workers but undoubtedly the condition of workers in state-owned enterprises in the cities was not bad in comparison

with the past and also with the living conditions of the peasants. It was a protected status, envied by the rural majority, and increasingly so to the extent that the country made economic progress, even if the wages paid were modest and dependence on the enterprise authorities, themselves subject to the 'Communist regime', was total. All this was situated in an economic logic that was generally much less decentralized than the Maoist discourse implied.

Today the worker in the state sector is subject to mass layoffs, sometimes without warning; officially, 25 million have been laid off since 1998. The worker, the supposed master of the country in the Maoist epoch, is viewed with contempt by the old elites, now reconverted, and this is still more true of the burgeoning new social elites, openly and even aggressively capitalist. Workers do not always receive the payments due to them when they are laid off and prior to this, the payment of their wages is often late. Unemployed, they might not necessarily receive the often modest unemployment benefit, or might have to wait many long months to get it.

Worse still, social security (pensions, unemployment pay, health care, housing) depends to a great extent on the enterprises, as has been the case since the beginning of the PRC. The central regime's stated desire to establish a national or at least regional social security system has not yet yielded significant results. However, the enterprise does not have the means to ensure this social security, or often does not want to. In any case, some enterprises have ceased their activity or have merged with others and no longer recognize their old obligations.

All this is accompanied by rampant illegality. The theft of goods, the monopolizing of public assets by local managers, associated with private entrepreneurs, all this is seen by everyone. Corruption is generalized, as any Chinese person knows. Social inequality grows apace. The new privileged, often former cadres and heads of enterprises, flaunt their wealth with a rare insolence. In Liaoyang, where poverty is evident everywhere, one finds (as everywhere in urban China) luxury cars, gleaming shops, bars for the rich. There is a kind of triumphalist desire on the part of the nouveau riche to flaunt their prosperity and bad taste, to humiliate the poor. This is the new China, that of the CCP, which now officially exalts the entrepreneurs as the new motor force of 'socialist' China! Not astonishing, then, that cynicism is prevalent. Corruption and gangsterism are found at all the levels of the city hierarchy. The head of the party in the city of Liaoyang is openly hated by the people.

Undeniably, if one reflects soberly on the manner in which tens of millions of workers are treated, one can understand the breadth of social tension and be astonished that it does not lead to a general revolt. For the moment, the people are unhappy or worse in both town and country, but retain from the distant past, and also the years of social atomisation induced by Maoism, a great capacity to endure, adapt, find ways to survive with stoicism and often a lot of decency. However there is also, sometimes, banditry, delinquency or despair.

In China today agitation is widespread. However, as often in the past, it is first and foremost to remind the masters of the day of their former obligations rather than to challenge their legitimacy. This is a big difficulty in the constitution of organized forces of opposition, and in particular a workers' movement capable of a real independence of action and demands. It is true that experience is lacking in China. A little - less than what was believed for a long time - in the mid-1920s through the influence of the early CCP. A little again, outside of the Communist and nationalist parties, in Shanghai, around 1946-1947. Very little in the Maoist and post-Maoist period, and often against the regime, which harshly represses any sign of workers' independence.

From Daqing to Liaoyang: the forms of workers' protest

In Liaoyang and Daqing, the will to struggle was shown in the spring of this year, but on the basis perhaps of exasperation, indeed despair. In Daqing, agitation began on March 1, 2002. Tens of thousands of workers went onto

the streets, to defend their threatened jobs or obtain layoff payments that had not arrived, but also in defence of their social security which had also been threatened. The regime did all it could to isolate the movement and ensure that it was not reported in the national media. There were as many as 50,000 people on the streets and some people were wounded in clashes with the paramilitary police. The local authorities even claimed that the movement was infiltrated by the banned and persecuted 'Fanlun Gong' religious group, a way of frightening the workers, discrediting their action and justifying a severe repression. The action of the demonstrators was led independently from the official structures: the workers chose their own delegates.

The movement in Daqing influenced the action in Liaoyang, a town situated nearly 600 kms from Beijing. Revived, rather than influenced, one might say, because this city, which is fast becoming an industrial desert, had already experienced some agitation in spring 2000.

On March 11 of this year 5,000 workers, most of whom had been laid off from state enterprises, made their way to the municipal headquarters (as is often the case in periods of agitation). They demanded the payment of unemployment benefit due to them, sometimes for as much as two years, while denouncing corruption and the embezzlement of the money owed to them. They, too, elected delegates. The movement spread and on March 18, 2002 30,000 workers from 20 factories in the city demonstrated to demand the liberation of their leader, Yao Fuxin. Yao, a 53-year-old worker from the state iron alloy factory who had been arrested the evening before by plain-clothes police. On March 19, 2002 there were again 10,000 to 20,000 people demonstrating with banners, slogans and portraits of Mao.

On the banners were slogans like: 'To steal the money of the retired is a crime'. Slogans of this type, like the portraits of Mao and the petitioning of the municipal authority, are characteristic of workers' demands today: they are a reminder of obligations, promises or conquests from Mao's time, and those contained in the implicit contract between the régime and the workers, namely social protection and the guarantee of work for life in exchange for the workers' allegiance to the régime.

On March 20, 2002 a significant deployment of police, assisted by soldiers, proceeded to arrest the three other leaders of the movement. This arrest followed a demonstration of 10,000 people who shouted, among other things, 'the people are hungry and want work'; the city authorities rejected dialogue with the demonstrators and forcibly evacuated a group of about a thousand demonstrators who occupied the administrative buildings. In the following days, hundreds of workers demanded the liberation of their detained leaders. On March 28, 2002 500-600 workers went again to the town hall and asked the authorities to free their representatives. In total, five workers' representatives were still imprisoned at the end of May. An international campaign was launched for their liberation. [[2](#)] The tenacity of the demonstrators and their will, as shown in Daqing, to freely elect their representatives and protect them from repression, reveal a new maturity of workers' action, an orientation towards an autonomous workers 'structure' (it is too soon to speak of a union).

However many aspects of the workers' action reveal the old traits, respect, allegiance, or in any case fear of the authorities, the representatives of the régime. The workers, from this point of view, do not behave differently - or let's say not completely differently - from the traditional Chinese, or the peasant of today. If the regime is not popular and even held in contempt, particularly for its corruption and scorn for the people, it is still the incarnation of the ruler who must be handled carefully. Even if one thinks of them as thieves and exploiters, it is in a very long peasant tradition to recall reciprocal duties rather than to prepare a struggle to reject an illegitimate regime. It is also possible that the acts of allegiance mask a real mockery, a turning of the slogans and rules of the régime against itself, a way of setting it in contradiction with its proclaimed principles. However, this prudence reveals a weakness in relation to the régime; the painful absence of an independent organization and a conception independent from the empty discourse of the régime, the 'Chinese socialism' which nobody believes in any more. The class confrontation is implicit, de facto, rather than conscious and desired. Nonetheless, real progress towards a greater workers' autonomy has been made. How much? At what speed? With what impact on the regions and sectors characteristic of current economic

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development, where the new Chinese working class is being forged? These are the key questions of the current period.

[1] I would like to thank Marie Holzman for having generously shared with me her documentation and thinking on the strikes analysed in this text. She has written a more detailed study which will appear in the revue *Politique Internationale* (Paris) in autumn of 2002.

[2] See *China Labour Bulletin*, publ Hong Kong.