DENG XIAOPING'S REFORM AND THE CHINESE WORKERS' PARTICIPATION IN THE PROTEST MOVEMENT OF 1989

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ABSTRACT

This article tries to explore structural and immediate socioeconomic factors which gave rise to the Chinese workers' participation in the protest movement of 1989. At the structural plane, the author argues that the workers' involvement in the protest movement marked a turning point of changing class relations in China. Although the state socialist society claims to be a workers' state, the workers have no power by the mere virtue of being workers and can exercise power only through control over their representatives who run the state and economic machine. If this control lapses, so does their influence. In China, as in the other "existing socialist countries," hierarchies have been installed without democracy. The persistence of such undemocratic authority structures has given rise to relations of dominance and subordination. Thus, ever since the establishment of the People's Republic in 1949, there have been two structurally antagonistic classes in Chinese society: Cadre class and working class. In the first thirty years of the communist rule, however, this antagonism was largely obscured by two intervening factors: class designation system and patron-client relations. In the past ten years or so, the class designation system was abolished altogether and the patron-client relations have lost much weight. As a result, the working class is becoming more solidified in confrontation with an equally consolidated cadre class which holds political, social, and economic powers. It is against this background of structural change that workers began to rise in opposition to the party/state and its associated elite. As far as more immediate socioeconomic roots of the workers' unrest are concerned, the events of 1989 may be seen as a product of the confluence of three boiling issues: rising inflation, widespread corruption, and above all, declining social status of the working class, all of which were spawned by the ten years of the building-socialism-with-

capitalism-methods experiment since 1979. This article concludes that the working class in China now is no longer a pillar of continuity but a force of change.

In 1966, when Mao Zedong launched the Cultural Revolution, he hoped the Chinese working class would unite to fight against what he called the "capitalist roaders." But he soon found the working class split from within. While a minority did become "rebels" against the establishment, the majority of workers were so-called conservatives, defending their superiors and seeking to preserve the status quo. Mao was very disappointed by that finding (S. Wang 1990).[1]

In 1986, I went back to China to do field research for my dissertation which is about the mass base of the Cultural Revolution. I interviewed eighty-five persons. I asked everyone of them a question: "Were there another Cultural Revolution, would you participate?" They all responded: "No!" Then I asked the same question in a slightly different way: "If someone is going to launch a movement against corrupt officials, would you participate?" They all responded: "Yes!" Interestingly, a number of former conservatives explicitly said: "I would be a rebel next time."

In 1989, a massive protest movement swept over China. Students started the movement. But what made the student demonstration of 1989 so remarkable was that it was supported by the broad masses of people, particularly by urban workers. While, since the so-called "Beijing Spring" of 1978, student demonstrations had been seen in major Chinese cities almost every year, this was the first time for a large number of Chinese workers to be directly involved in the protest movement since the end of the Cultural Revolution. Deng Xiaoping might have hoped that the working class would be internally split so that at least some workers would stand by the government. But there was hardly any worker who did that.

The irony that both Mao and Deng got what they did not want raises a question: why did Chinese workers who had by and large long been the party/state's allies rise in opposition to the party/state this time?

In order to answer the question, I will divide this article into three parts. First, because the Western media have tended to describe the recent protest movement in China as "a student movement for democracy," reports about workers' participation were very scattered. I will try to piece together a picture to show on how large a scale workers took part in the movement, what their demands were, and how the regime responded to the workers' involvement. In the second part, I will try to explore structural roots of the workers' unrest. The third part discusses some immediate socioeconomic factors which contributed to the workers' participation in the protest movement of 1989. And finally , I will address the issue of the relationship between the working class and democracy.

The Workers' Participation in the Protest Movement

The protest movement began as Beijing students converged on Tiananmen Square under the pretext of honoring ousted Party General Secretary Hu Yaobang, who died on April 15. The initial demands were, among other things, for freedom of speech, freedom of press, freedom to demonstrate, more money for education, and disclosing the private bank accounts of some top officials' children. On April 25, Deng Xiaoping made a secret speech in which he asserted that the students were creating a "counter-revolutionary riot." He went on to call for "tough measures" to stop the protest. The next day, the Party organ, People's Daily published a strongly-worded editorial, attempting to intimidate the students. It was then when workers first showed their sympathy for, and support of, the students. On April 27, when 150,000 Beijing students, in defiance of warnings from the government, staged a massive demonstration, they were greeted on their way to the Tiananmen Square by workers with warm applause (China Daily News April 28, 1989).

Workers' involvement in the protest, though still indirect, terrified top Chinese leaders. In early May, the Beijing Municipal Party Committee issued a directive to all factories, advising managers to do whatever was necessary to cut off the connection between the workers and the students. On May 13, the Party General Secretary Zhao Ziyang and the Premier Li Peng met workers' representatives and tried to pacify the workers. And on the night of May 15, the Beijing Municipal Party Committee held an emergency meeting to discuss how to "stabilize workers" (China Daily News May 19, 1989). Despite, if not because of, those efforts, however, Beijing workers began to join the protest in great numbers. First individually, later in organized contingents, they took to the streets to support the students and to pour out their own grievances. On May 17 and 18, when over a million people marched in Beijing to protest the Government's cold-blooded attitude toward the students who had gone on a hunger strike, workers began to make up the majority of the crowds. Workers were from all sorts of factories, small, middle-sized, and large; state-run, collectively-run, and foreign-invested. But workers from the largest state-run factories in the city such as the Capital Steel Corporation and Yanshan Petrochemical Corporation were most conspicuous. They came into the city on an armada of trucks, buses and all sorts of vehicles, banging drums, gongs and cymbals, and waving red flags (China Daily News May 17-19, 1989; People's Daily May 17-18, 1989; and Economic Daily May 17-19, 1989). The May 18 New York Times noted that "the demonstration today was the realization of one of the Government's worst nightmares---organized worker participation in what began as student protest" (New York Times May 18, 1989).

Feeling the heat from below, the official trade unions gave their support to the demonstration. On May 17, the staff of the National Council of Trade Unions (hereinafter NCTU) and the students and faculty of the Workers' Movement Institute under the NCTU took part in the demonstration. The next day, the NCTU donated 100,000 yuan to the demonstrators. This was the only

government agency which donated money to the protestors (People's Daily 18-19, 1989). And more remarkably, according to a very reliable source, the National Council of Trade Unions agreed to call out a national general strike on May 20. It was probably because of this threat that Li Peng ordered martial law on the night of May 19.[2]

But martial law did not intimidate the students or the workers. While official trade unions hung back, workers began to organize independent trade unions. In Beijing, a preparation committee for a "workers' self-governing council" came into being on May 25. Workers in the provinces quickly followed the example. Within less than ten days, at least in a dozen of large cities such as Shanghai, Wuhan, Canton, Nanjing, Xian, Hongzhou, Shengyang, Kunming, Lanzhou, Guiyang, Changsha, and Xining, similar organizations emerged (People's Daily June 10, 13, 14, 15, 20, and 29, 1989).

The ways the authorities handled the protest movement of 1989 provide collateral evidence that the Chinese workers stood by the protesters rather than the party/state. In all the previous political movements since 1949, workers were always mobilized to spearhead the attacks. In the Movement to Suppress Counter-revolutionaries (1950-1952), the Movement against the Three Evils (corruption, waste and bureaucracy within the Party, government, army and mass organizations, 1951-1952), the Movement against the Five Evils (bribery, tax evasion, theft of state property, cheating on government contracts and stealing of economic information, as practiced by owners of private industrial and commercial enterprises, 1952), and the Socialist Transformation Movement (1956), the workers' role has become well-known, and needs not to be repeated here. In the Anti-Rightist Struggle of 1957, the turning point of the campaign was marked by the publication of an editorial of People's Daily, entitled "The Working Class is Speaking out Now." In early 1966, the criticism campaign of the "Three Family Village" of Deng Tou, Wu Han, and Liao Mosha in the names of "workers, peasants and soldiers"

foreshadowed the Cultural Revolution. And again, in 1974 when the Campaign to Criticize Lin Biao and Confucius was launched, the first editorial of People's Daily was titled "Workers, Peasants, and Soldiers are Main Forces to Criticize Lin Biao and Confucius." Finally, in April 1976, workers' militia was used, along with police forces, to suppress the crowds gathered together on Tiananmen Square protesting ultra-leftist policies of the Gang of Four. After the riot was put down, workers were forced, despite their reluctance, to participate in officially initiated demonstrations against "a handful of counter-revolutionaries."

During the protest movement of 1989, however, the Chinese authorities were no longer able to foment antagonism between workers on the one hand and students and intellectuals on the other. The crackdown was carried out by neither police forces nor workers' militias, but by field armies. Obviously, it seemed to the Chinese authorities that the workers' militia was not reliable. After the crackdown, there has been a campaign denouncing the "crimes of a handful of counter-revolutionary rioters" in official newspapers. But, unlike the previous political movements, during which newspapers had been full of critical articles in the names of workers, this campaign was by and large carried out by anonymous authors. And the authorities didn't even dare to put up a false front of workers' loyalty to the party/state by organizing mass demonstrations, fearing that such gatherings might get out of hand. The Chinese authorities seem to have lost the courage and capability to force workers to dance to their tune.

Why did so many workers become involved in the protest? One reason of course was workers' sympathy for those students who were going on the hunger strike. But there were reasons going much deeper than sympathy. In fact, the workers' demands were in many ways very different from the students'. While students and intellectuals were mainly pursuing more civil liberties, workers cared more about their livelihood and distributive justice. The students'

hero of the moment was Zhao Ziyang, the Party General Secretary, who had been known as a consistent and enthusiastic supporter of Deng Xiaoping's market-oriented economic reform. But workers shouted slogans like "Down with Zhao Ziyang!" More significantly, in protest marches a number of workers carried portraits of Mao Zedong, who was no sympathizer of Western style democracy and freedom. The founder of the People's Republic was held up by these workers as a symbol of Spartan virtue and egalitarian ideals against a corrupt and cynical Deng Xiaoping regime. After all, during Mao's days, prices were stable, crime was low, and unemployment was unheard of.[3]

For Deng's regime, the workers' involvement in the protest was an ominous development, so much so that the regime naturally struck out first and foremost at the workers. Even before the military crackdown, attacks had been mounting against the worker activists. For instance, on May 30, the day when the Beijing Workers' Self-Governing Council was scheduled to be formally established, three key members of the council's preparation committee were arrested (China Daily News May 30-June 1, 1989). After the crackdown, all the executions to date and most arrests were of workers (Asia Watch 1989).[4]

Why the savage repression at the very first signs of working class protest? More specifically, why did Zhao Ziyang and Li Peng meet the workers' representatives first when it was students who first made the request to have a dialogue with the government? Why did the government set out to arrest worker activists soon after they decided to establish independent unions, while no student leader was detained before the massacre even though students' independent associations had existed for almost two months? And why is it that all the executions and most arrests to date are of workers, when it was the students who touched off this whole series of demonstrations? The fundamental reason is that while the students were the spark, it was the workers' social power that immediately threatened the Party leaders' grip on Chinese society. The workers' social power first has to do with the simple

fact that workers account for about seventy percent of the one hundred fifty million nonagricultural labor force, while all college students put together are less than two million (The National Statistics Bureau 1988: 117-130). Workers also have enormous weight in social production and reproduction. Deng Xiaoping and other top leaders must have still remembered what had happened during the first three years of the Cultural Revolution when the whole society was in a turmoil largely because of workers' involvement. They must also have been frightened by what Solidarity had done to the Polish Communist regime. It should not be too far from the truth to suggest that to a great extent it was because the Chinese workers began to demonstrate their massive social power the regime imposed the brutal crackdown in desperation.

Structural Roots of the Workers' Unrest

The workers' involvement in the protest movement of 1989 marked a turning point of changing class relations in China.

The last turning point occurred in the early 1950s. In 1949, the Chinese Communists came to power. And by 1956, the socialization of the privately-owned means of production had been completed. Then the Chinese leadership declared that with the abolition of private ownership of the means of production, the fundamental class relations typical of capitalist society had disappeared once and for all. It argued that a nationalized economy would create a coincidence of interests. In such an economy, there could be no inherent class antagonism equivalent to that which emerges between a proletariat and a bourgeoisie.

Indeed, Marx once predicted that socialist society would be a classless society:

Does this mean that after the fall of the old society there will be a new class domination culminating in a new political power? No.

The condition of the emancipation of the working class is the abolition of all classes just as the condition of the emancipation of the Third Estate, of the bourgeois order, was the abolition of all estates and all orders. The working class will, in the course of development, substitute for the old civil society an association which will exclude classes and their antagonism, and there will be no more political power properly so-called, since political power is precisely the official expression of antagonism in civil society (Marx 1976, 6: 212).

And indeed, the socialist transformation---the nationalization of the means of production---has decisively changed the social structure of Chinese society. The means of production belong, at least in theory, to the people as a whole. Thus any individual or group, including those who occupy positions in control of the production process, cannot claim ownership of the means of production. Similarly, no one can legitimately treat the means of production as private property. However effective government officials' control over production and social life may be, they cannot lawfully draw surplus production into their own pockets as capitalists do. They do dispose of the surplus and decide what happens to it, but they cannot appropriate it for reinvestment under their own names.[5] In a word, there are no property-owning classes any more.

That there is no property-owning class in a socialist society does not mean, however, that so long as private ownership is abolished, there can be no conflict among social groups. The history of the People's Republic of China (and of other state socialist countries) has demonstrated that public ownership does not guarantee equal rights to all citizens to enjoy and dispose of property. Although private ownership was abolished, the hierarchical structure of the division of labor has remained in China's state socialist system. The economic division of labor gives some people the creative tasks of planning and managing the work of others, while the majority do the

intellectually less exciting and more routine jobs. The greater the skill or knowledge commanded by an occupation, the greater is its relative scarcity in the marketplace. In turn the degree of scarcity relative to demands to a large extent determines occupational rewards. Moreover, political and managerial cadres' control over the disposition of the surplus itself gives them more accesses to public funds. The ability of the privileged groups to appropriate more than an equal share of the social product and to secure the compliance of the underprivileged to their superiority are now based on the division of labor.

Unlike Stalin who interpret Marx's concept of class in strict terms of ownership, Lenin defined social classes as "large groups of people differing from each other by the place they occupy in the historically determined system of social production, by their relation (in some cases fixed and formulated in law) to the means of production, by their role in the social organization of labor, and consequently, by the dimensions and mode of acquiring the share of social wealth of which they dispose" (quoted in Lane, 1985: 149). The place one occupies in "the social organization of labor" and "the dimensions and mode of acquiring the share of social wealth" which one disposes may be independent of one's ownership relations. And thus the division of labor can be a basis for differentiation. Using this broader definition of class, we can hardly conclude that China (and other state socialist countries) has excluded "classes and their antagonism" because it has not eliminated the division of labor as Marx expected.

Thus we find that the implications of the state socialist system are twofold. On the one hand, the incumbents of power positions (those with authority) do not form an ownership class that can be understood in classical Marxist terms. Government ministers and directors of factories cannot pass on rights over ministries or factories to their children as do many capitalists in Western societies.[6] On the other hand, though the class ownership of the

means of production is quite different, the process of production has been very much on Western lines. Those with authority do form a special social group differing from the majority of people. They differ from others not in their ownership relations to the means of production but in their position in the social organization of labor and in their role in production process. They share a common relationship to the means of production, which they as a group do not own but control and from which they derive concrete benefit and privilege. We may conclude from the above discussion that after the abolition of private ownership of the means of production, ownership classes no longer exist, but classes in a functional sense (based upon the division of labor) still exist.

I argue in detail elsewhere that with the elimination of almost all private enterprises and the imposition through the state planning system of centrally determined priorities in 1950s, the trends toward comprehensive bureaucratization were powerfully reinforced in China. Those who undertook the task of direction (management) thus formed part of a new hierarchy, whose common denominator was that they allocated resources, distributed values, directed the apparatus of production, and organized the work force at all levels (S. Wang, 1990). Although the state socialist society claims to be a workers' state, the workers have no power by the mere virtue of being workers and can exercise power only through control over their representatives who run the state and economic machine. If this control lapses, so does their influence. For this reason, it is essential for a socialist society to establish democratic political control over the controllers of productive resources. This is the only way to assure, though indirectly, equality of power over the way resources are used. Unfortunately, the state socialist society has been characterized by the structural constraint of hierarchical power and the weakness of effective institutionalized methods of democratic control. In practice, thus, the worker in China has no more control over what

he produces or how it is produced than does the worker in the West. Real control belongs to the directors of enterprises and the members of the state apparatus. To the extent of their discretion, the responsibility offered by the work, and the nature of the authority relationship, those with directing power occupy positions very different from ordinary workers in the production process and/or in social organizations of labor. The persistence of such undemocratic authority structures has thus given rise to relations of dominance and subordination. We may identify two social groups as the basic classes in the state socialist society: cadre class and working class. Because they are located in different positions in the production process, contradictions between cadres and workers are inevitable.

In the first thirty years of Communist rule, however, this antagonism was largely obscured by the internal conflicts within the cadre class and the internal conflicts within the working class.

Because the Communists at first lacked experienced and skilled cadres to manage, coordinate, and control socioeconomic development, the cadre class of China was internally divided in the first decades of the People's Republic. With "intellectual capital," the old elite, people such as capitalists, intellectuals, and professionals were to a large extent retained and appointed to managerial and technical positions in the new regime. They were functional cadres whose roles were to manage the production and reproduction of goods and values. These functional cadres generally received greater rewards than the general public. In addition, their children generally had an advantage in the contest for life opportunities because of the abilities and achievement motivations acquired from their parents.

Egalitarianism which was embraced by many Chinese as the essence of socialism, however, required a political system in which the state was able continually to hold in check those social and occupational groups which, by

virtue of their skills, education, or personal attributes, might otherwise attempt to stake claims to a disproportionate share of society's rewards. Putting egalitarianism into practice in a state socialist polity resulted in (indeed required) state power to manipulate the distribution and redistribution of resources in society and to delimit individuals' freedom of action. Thus the political cadres arose. Unlike their functional counterparts, the political cadres were typically recruited on the basis of political reliability. They were generally drawn from the ranks of those who had served in the revolutionary army or had fought in the underground resistance against the Guomindang before 1949. With few exceptions, they were men of humble social origins, former peasants and industrial workers with little formal education. Like the functional cadres, the political cadres also received relatively higher rewards than their subordinates. But in many cases, the party cadres at the grass-roots and middle level were not paid as much as white-collar specialists working in the same places. Furthermore, their children, though benefitting more from the new regime's policies of class favoritism than the offspring of any other social groups, were generally not as competitive as the functional cadres' children.

Because of the differences in their power bases, roles, origins, and expectations about their children's prospects, the tension between the functional cadres and the political cadres, or between the old elites and the new elites, had never been mitigated in the first three decades of the People's Republic. The political cadres, in a position of dominance, tried various devices to subdue the functional cadres while making use of their talents for socioeconomic development. Among the most effective devices was labelling.[7] Before 1978, each and every Chinese was given a class designation. "Landlord," "capitalist," "rich peasant," "bad element,"

"counter-revolutionary," and "rightist" were "bad" class designations, while "worker," "poor peasant," and "revolutionary cadre" were "good" ones. Intellectuals and professionals were somewhere in between (L. White 1989). Most of the functional cadres got "bad" class designations because they had come from rich families. Most of the political cadres got "good" class designations because of their humble origins. The class boundary of the residual structure thus overshadowed the class boundary existing in the present system. As a result of ranking people in accordance with their family backgrounds before the liberation, the functional cadres were compelled to live with their political inferiority, no matter what else they might obtain. With considerable power resources---knowledge and skills the political elites generally lacked but which were indispensable for socioeconomic development---in their possession, the functional cadres, of course, did not want to subordinate themselves to the political cadres. The Hundred Flowers Movement of 1956-57 manifested their desire for the reallocation of power.

The working class was not homogeneous either. The work force, whether in the state sector or in the collective sector, was largely divided into three categories: activist, middle-of-the-road, and backward element.[8] This division was a by-product of the mass mobilization method of economic development. For a poor country like China, one way to increase productivity is to mobilize underused labor power. But because it is poor, there are limited resources to be used as rewards. The regime thus had to resort to cheap moral rewards (e.g., designations as "activist" or membership in the Party and the Youth League) to substitute for expensive material ones, which resulted in further categorization of the people by adding yet another dimension specifically for ranking those who were not "bad" according to official class categories. The price of such practices was unexpectedly high:

the working class was split from within. As long as the mobilization method of development and the politicization of social life persisted, the distinction between the activist and the backward element likely continued to be one of the most politically salient social-structural cleavages. Another result of such practices was the formation of patron-client relations between activists and their superiors, as Andrew Walder describes in his recent book Communist Neo-Traditionalism.[9]

Because of the internal conflicts within the cadre class and the working class, the most fundamental social division between the two classes did not become the most important politically relevant cleavage in Chinese society until the late 1970s. That is why during the period of the Cultural Revolution, workers in every factory split into "rebel faction" and "conservative faction" and fought bitterly with each other (Lee 1978).

In 1978, the class designation system was finally abolished. And since then as moral incentives have given way to material incentives in organizing production, the distinction between "activists" and "backward elements" no longer makes much sense. As a result of the two developments, the differences between the functional cadres and the political cadres are gradually diminishing,[10] and the working class is becoming more solidified in confrontation with an equally consolidated cadre class which holds political, social and economic powers. It was against this background of structural change that workers began to rise in opposition to the party/state and its associated elites.

Socioeconomic Roots of the Workers' Unrest

Now let us turn to the more immediate socioeconomic roots of the workers' unrest. This unrest was a product of the confluence of three boiling issues:

rising inflation, widespread corruption, and, above all, declining social status of the working class, all of which were spawned by the ten years of the building-socialism-with-capitalist-methods experiment since 1979.

Inflation

Inflation was an extremely explosive issue. There have been a lot of reports and discussions about inflation in China and its social implications. Therefore I am not going to investigate this issue in detail. In Table 1, I present three sets of figures. The first set is about inflation rates. In the first three decades after the revolution of 1949, prices scarcely rose. From 1951 to 1978, the average inflation rate was 0.7%. In the first years of the economic reform, inflation was mild: from 1979 to 1984, the average rate was 2.6%. After 1984, however, the situation was getting worse every year. In 1988, the inflation rate was 18.5%; and the first half of 1989, 25.5%. The urban cost of living increased even faster.

TABLE 1 ABOUT HERE

The second set of figures is about real wages. We find that the actual improvement in real wages for the 1978-1985 period came to 5.1% annually. Especially in 1984, real wages jumped almost 15%. However, after 1985, because of high inflation, the situation suddenly changed. The real wages in 1987 increased only 0.9% and in 1988 only 0.5% (People's Daily February 28, 1989; Wei 1988). Even taking the official figures at face value, the increase in the last two years are not statistically significant, because it does not exceed the limits of computational error.

What is worse is that in the last few years, many urban households have experienced declines in their real income. For 1986, the government reported "a small number of urban households" suffered this bitter experience. For 1987, one out every five urban families fell into this category. In 1988,

more than one third of the urban families found themselves earning less and spending more (People's Daily February 28, 1989).

These official figures are all aggregated, from which we cannot tell which social group has suffered most from the rising inflation. But there is evidence that it is the worker who has borne the brunt. A 1986 survey about popular reaction to inflation, which covered eight cities such as Beijing, Guangzhou, Wuhan, Chengdu, Qingdao, Changchuan, Xining and Wuhu, found that the higher one's income was, the more likely s/he was to approve of the reform of price system which was responsible for turning a repressed inflation in the forms of shortage, rationing, and government subsidy into an open inflation. Meanwhile, the same survey showed that the worker was the most reluctant social group to appreciate the economic necessity of the price reform: While 57 percent of government functionaries, 52 percent of intellectuals, 49 percent of private businessmen, and 36 percent of salesclerks endorsed the price reform, only 28 percent of industrial workers liked it. Even those who had no fixed occupation were more willing to tolerate the price reform than workers (34 percent). We may infer from these two findings that the inflation has hurt industrial workers more badly than it has done to other social groups. When this survey was done in 1986, the urban cost of living only rose 7.0 percent. In 1988, however, the urban cost of living went up 20.7 percent. And by the first half of 1989, the price had soared out of control, increasing at an annual rate probably higher than 30 percent. If workers had already felt the mild inflation of 1986 unbearable, they must have become outrageous upon the runaway inflation of 1989 (Chen 1987: 33-38).

Inflation is a device of redistribution. While most people suffered from inflation, some people gained huge profits from it. Those were corrupt government officials, price-gouging speculators, upstart private entrepreneurs, and a few factory managers and artists. In a very short period of time, they suddenly amassed a lot of wealth. It was estimated, for

instance, that among 12 million owners of private industrial and commercial firms, 10 percent earned more than 10,000 yuan per year and 1 percent as much as several million yuan. In Guangzhou, by the end of 1988, there had been several dozens of millionaires. The richest family was said to be worth four millions (Chinese News Agency dispatch from Guangzhou on December 4, 1988). The differentiation between "haves" and "have nots" thus became abundantly apparent in Chinese society in the last few years. In three years between 1984 and 1987, the ratio of income spread between the top twenty percent and the bottom twenty percent of urban households increased from 2.8:1 to 3.4:1 (Tianjin Daily July 20, 1988). As a result, tremendous resentment has been building among workers against the beneficiaries of Deng Xiaoping's policy of "letting some people get rich first." When the Institute of Economic System Reform, a think tank of the State Council, first investigated popular grievances in 1986, economic inequality ranked the eighth of thirteen most common complaints. The concern about the widening gap between the rich and the poor went up to fifth in 1987 and to the fourth in 1988 (Zhang 1989). A 1988 public opinion survey found that 88.7 percent of people thought that social inequalities were "great or very great in China" (Outlook May 23, 1988: 13-14). It is interesting to note that in 1980 when Solidarity first emerged, a public opinion poll in Poland found 85 percent of people thought that social inequalities in Poland were "great or very great" (Smolur 1983). The percentage was slightly lower than what was found in China in 1987 and 1988.

Corruption

Widespread corruption was another factor which alienated workers. Since the Communists came to power in 1949, there has never been an institutional mechanism to check cadres from below. But originally, cadres were supposed to have only political power but neither wealth nor prestige. Moreover, there was a mechanism imposed from above to prevent cadres from abusing power for personal benefits, that is, the political campaign. Thus, in the first three

decades of the People's Republic, a dozen campaigns were launched. Initiated by top leaders, these campaigns in most cases aimed at cadres who politically deviated from Party line and who abused power for personal gains. Because the campaigns were usually very violent and punishment very severe, this mechanism was rather effective in curbing corruption. After Mao's death, the Deng's regime declared that it would never launch another political campaign, but it failed to develop a new mechanism to check cadres from below. Moreover, there have been in recent years increasing opportunities for profiteering from differences between planned prices and market prices. A Chinese economist estimates there is a 200 billion yuan gap between planned prices and market prices (X. Shi 1989: 41). Those in positions to control resource allocation therefore can easily make big money by abusing their power. Uncontrolled power thus resulted in widespread corruption. As William Hinton, a sympathizer of the Chinese socialist revolution, points out: "The level of corruption in China has reached proportions similar to those that overwhelmed the Guomindang back before 1949." The Party General Secretary Zhao Ziyang's two sons were notorious examples of corruption. It is also widely believed that Deng Xiaoping's sons were involved in corruption as well (Hinton 1990:187).

In the last decade, new folk rhymes of political type have come out by the hundred every year, mostly to express ordinary people's frustrations and grievances. The Following are a few examples of 1988:

Mao Zedong sent his son to the front [of the Korea War], Liu Shaoqi sent his son to the border areas, Zhou Enlai didn't have a son but he himself worked very hard, Deng Xiaoping's son stays in Beijing to collect donations, Zhao Ziyang 's sons are doing business to reap staggering profits, and Hu Yaobang's son has disappeared since he fell from power.

Chairman Mao's cadres had clean hands, but Deng Xiaoping's cadres are becoming millionaires.

The west is red,

The sun is falling,

Here come a Deng Xiaoping,

He serves the privileged stratum very well,

And he tell others "mind your own business"...

Here what attracts our attention is that people began to compare Mao Zedong and Deng Xiaoping, obviously favoring the former. Indeed, there has appeared a new "Mao Zedong fever" among Chinese working people since 1987. Why? It seems to me that workers cherished the memory of the late chairman not because they liked his doctrine of ubiquitous and perpetual "class struggle" or his policies during the periods of the Great Leap Forward and the Cultural Revolution. What they really missed is an egalitarian ideal. A Beijing bus driver hit the nail on the head:

Now many people cherished the memory of Mao's era, because Mao advocated egalitarianism. Egalitarianism does not mean "everyone eating from the same big pot" [everyone receiving the same income regardless of work effort and effectiveness]. It only means the elimination of sharp income differentials. Nowadays, however, many officials have become very rich while most of the people still have to live plainly and frugally. The gap between the rich and the poor is so wide that it is hard to describe it. Many people in Beijing are talking about the necessity "to liquidate corrupt officials." In Mao's days, there was no such things (1990s May 1989: 28).

No wonder during the protest movement so many workers carried Mao's portrait.

Declining Social Status of the Working Class

Inflation and corruption evoked great indignation not merely among workers. In fact, they were the two objects every participant of the protest movement of 1989 was attacking. We thus need to go one step further, looking for the reason which can specifically explain the workers' involvement in the protest. The reason lies, it seems to me, in that the Deng's reform has dislocated the working class.

Like reforms in other existing state socialist countries, the main purpose of the economic reform in China was to improve economic efficiency. To achieve this goal, the government at first abandoned the mobilization methods, and replaced them with material incentives. Meanwhile, Taylorism, a system in which piece wages and bonuses were adjusted to individual productivity, was introduced to Chinese enterprises as a way to efficiently develop the productive forces. But the government found that despite large increases in wages, the expansion of incentive pay, and several schemes to link incentive funds to individual performance, low labor productivity and lax work discipline remained major problems in state industry (Walder 1987). From 1977 to 1983, state industrial wages increased 6.1 percent per year and bonuses 53.6 percent per year, but productivity increased only 3.2 percent per year and the state budgetary revenue only 2.2 percent per year (Zhuang et al 1986: 174 and 181). The growth of industrial wages and bonuses exceeded the increase of productivity and budgetary income by a wide margin, a situation which the state could not afford to sustain very long.

Since the "carrot" was not effective, the government began to try the "stick." Roughly beginning in 1984, the government decided that the best way to increase productivity was to push managers into taking a harder line toward workers. Many small and middle-sized enterprises have been sold or leased to managers, and large ones are often contracted to managers. These important arrangements were more often than not made between the managers and government agencies concerned without the consultation with the employees who were

working in these firms. Boosted by Deng Xiaoping's organizational bias in emphasis on managers' authority and workers' obligation, some managers began to act as the real owners of their enterprises. They told the workers: "I am the boss. You have to obey my orders." In his pursuit of an organizationally efficient and dynamically growing economy, Deng Xiaoping seems to be willing to sacrifice the producer to production so that he has done nothing to adapt the existing trade unions to allow for authentic representation of worker interests and effective resolution of their grievances. Managers' power thus was greatly strengthened at the expense of the workers'. Now, to a large extent, managers have the power to decide what to produce, how to produce, and at least in theory, they have power to punish and even fire workers. Workers, on the other hand, have no say at all in decision-making (Xu 1987). Indeed, piecework, strict discipline, subordination to bosses, commands and rigorous compliance have become the defining attributes of the new relationship between management and the work force.

Moreover, widening income differentials have emerged between workers and their managers. In Shenyang, an experimental city for urban economic reform, the manager now ranks the highest in income among all social groups. In 1988, the average monthly salary of managers in the city was 643 yuan, while the average monthly salary for workers was only 152 yuan. One manager's salary was as high as 1,344 yuan per month. In addition to their high salaries, managers got sizable bonuses. In the commercial sector of the city, fourteen managers were reported to have received more than 10,000 yuan bonuses and one of them received 34,000 yuan. The income distribution pattern in other cities is more or less the same (Y. Wang 1990). In the past, the socialist ethos has favored a reduction in material inequality in conjunction with the ideological promise of an equal communist society, and the socialist regime has used the appeal of egalitarianism as a source of support from disadvantaged classes or groups. While there existed a considerable disparity between the reality and

rhetoric of equality, there was also strong evidence that all major property-based inequalities were eliminated and intraurban and intravillage inequality were substantially reduced in Mao's China (Selden 1988: 140). Taking the egalitarian commitment of socialism seriously, Chinese workers of course bear strong resentment against the growing differentiation in earnings brought about by the recent reforms.

As a result of the expansion of managers' authority at the expense of workers' and the widening differentiation in earnings between the two groups, the relations between workers and managers have steadily deteriorated. In 1986, the NCTU conducted a survey among 43,000 workers of 64 factories in Shanghai. 39.4 percent of the interviewees then thought that their relations with superiors were worse than ever before (Gao & Zhang 1988: 22-23). In a 1987 survey carried out by the Institute of Economic System Reform, 2,415 interviewees were asked to list nine negative developments in the Chinese society since the beginning of the economic reform. The relationship between managers and workers was identified as the most negative development (Chinese Institute of Economic System Reform 1988). In 1988, yet another survey showed that as high as seventy-five percent of workers regarded their relations with superiors as "bad" (Zoomlens December 6, 1988: 46).

A more immediate concern to workers is job security. On May 16, 1989, when the protest movement was at its high tide, Economic Daily of Beijing reported that an "infectious disease" named "job security panic" was spreading among Chinese workers. Its "symptom" was said to be that people were laden with anxieties, afraid of being fired someday.

The workers' fear was not entirely groundless. In 1986, a "labor contract system" was introduced into state industrial enterprises. Under the new system, workers recruited by state enterprises from then on would have to accept contract status, no longer enjoying virtual job tenure as other state workers do. In addition to the uncertainty embodied by the new system, the

contract workers also don't have privileges to receive other welfare benefits such as pension. For new workers entering state factories on a contract basis, they thus face the prospect of becoming "second-class workers" (G. White 1987: 384-85). Among the contract workers, the unskilled, women, and the older are more likely to feel insecure. Unskilled workers know that one-third of China's agricultural labor force is underemployed and a growing number of them is flowing into urban labor market. In other words, there is always a danger that when their contracts expire, the managers may hire someone else to replace them. Women workers are under twofold pressure. On the one hand, because they usually occupy relatively low-skilled jobs, they have to face greater uncertainty as other unskilled workers do. On the other hands, as women, they are afraid that once they become pregnant and take maternity leave, their contracts may not be extended. For the older, they mainly worry that once they are past their prime, robust labor may be hired to replace them. Since everyone is going to grow older, the labor contract system thus threatens virtually every new worker's job security (Cao & Wang 1986: 24-27).

In 1987, "fixed" workers found their job security also in danger: the government passed a bankruptcy law. "Fixed" workers are now faced with the threatened elimination of the system of lifetime employment, a key gain of the 1949 revolution. Under the new law, if a factory does not show a lot of output, managers can lay off workers, which was called by the fine-sounding name of "optimal labor reorganization". And if it still cannot turn profit, the government will let the factory go bankrupt.

In Qingdao, a city which first experimented with "optimal labor reorganization", more than 10,000 workers were laid off soon after the experiment had started. In Zhuzhou, another experimental city, 260,000 workers were reduced to 220,000 within a short period of time. The experience gained at these experimental cities then was used to promote the "optimal

labor reorganization" in all areas. In 1987, the state enterprises in Hubei province dismissed 14,000 "fixed" workers. By summer of 1988, there had been 30,000 unemployed workers in Shanghai (Shi & Xiao 1988). Industrial city Shenyang was more aggressive. At the beginning of 1988, the municipal government declared that it would lay off 300,000 "redundant workers" from its two million of labor force in a few years. In six month, 60,000 workers already lost their jobs (Liu 1988). In the nation as a whole, according to an official report, three hundred thousand workers had become the first victims of the "optimal labor reorganization" experiment and the bankruptcy law by August 1988: they lost jobs. What frightens workers more is an official estimate: At least fifteen to twenty million workers are underemployed. In theory they should be laid off too (Shi & Xiao 1988).

In China, social welfare and security have been taken care of largely by the unit in which one is working. This is a legacy of "full employment". When unemployment is allowed to appear, however, a "safety net" has not yet been built to take care of the jobless. At present, those who are laid off may receive 50 to 60 percent of the pay from their previous employers for six months. If they are not be re-employed by the same enterprises within the six months, they are "formally" declared "unemployed". Then they have to apply for an "unemployment relief fund". However, this fund is available only for a limited time, usually for one year. In any case, no one should receive such funding for more than two years. Afterward, they would be left on their own.

If one loses his/her job, s/he not only loses salary but also all other benefits such as health insurance. There was a report about a Shanghai worker's misfortune. After the worker was fired, she got very sick. But the hospital would not accept her unless she could pay 5,000 yuan in advance. She had no money. Her family turned to the factory where she used to work for help. The factory responded: "Sorry, we cannot, because she is no longer our employee." Her family then turned to the Municipal Civil Administration

Bureau. They were told that the civil administration organ only took care of handicapped people. Finally her family turned to the Municipal Council of the Trade Unions. The council said: "we would like to help, but we have no money." The worker was dying at home at the time the story was brought to press. After hearing this story, many workers said :"Her today is probably our tomorrow. It is really frightening" (Shi & Xiao 1988). Such anxieties about "security" were shared by a vast number of others. Indeed, a series of public opinion surveys carried out in 1987 and 1988 found that "security" had become the number one concern in the Chinese society lately, and it was strongest among workers. (Chinese Institute of Economic System Reform 1988: 48-57; Zhang 1989: 11-12).

The labor contract system and the bankruptcy law heralds a significant change in the socioeconomic position of China's state industrial workers and in their relations with managerial superiors. Indeed, it seems to a great proportion of the state workforce that the change represents an affront to both values and interests. Due to official propagation in the last three decades, the full employment principle has penetrated deeply into many workers' minds. They see job security as an achievement of socialism and the recent changes as steps towards capitalist "wage labor". It is therefore understandable why those who lost their jobs have a strong antipathy to these "reforms". Old workers complain: "When the Communists came to power, they promised a full employment. How could they go back on their word?" Young workers tend to be more critical. They point out: "The new system is unfair. While managers are given power to dismiss workers, we workers have no right to elect, supervise, and replace the managers. Our fate thus is in the hands of others." In 1988, a group of the unemployed in Hubei province filed a petition to the local public security bureau for permission to stage a protest demonstration. Their slogans were, among others, "We want to be alive", "We have to feed our families", and "We need jobs" (Shi & Xiao 1988). Obviously

it seemed to them doubtful what was the "superiority" of the socialist system if a growing number of workers were thrown out of work.

Chinese workers were very sensitive to the decline of the their status. Although the official media still call the working class as the leading class of the nation, workers seem to know well that it is nothing but a cliche. For instance, from 1984 to 1987, the NCTU conducted a series of surveys in many cities. The results showed that 56 percent of workers thought that the social status of the worker was declining (Xiao & Shi 1989: 18). Workers' frustration grew even stronger as time went on. A survey of 33 cities conducted by Institute of Sociology of the Chinese Academy of Social Science in late 1987 found that 71.6 percent of the worker interviewees believed that, rather than being the leading class, the working class was now at the bottom of society, because workers had no political power, no money, and no higher education, the things the Deng's regime highly valued. What they can offer is only manual labor, which was less compensated for those days. A more recent survey showed that those who felt that workers' social status was declining had gone up to 83 percent (Outlook May 23, 1988: 13-14.).

Not only did workers themselves think that the social status of the Chinese working class was falling. So did people of other social groups. According to the survey by Institute of Sociology mentioned above, when the interviewees from all walks of life were asked to identify a social group which had benefited most from the economic reform, the worker came the last. In another survey, the questionnaire listed a number of assertions about various social groups and the interviewees were asked whether they agreed with those assertions (Outlook May 23, 1988: 13-14). Table 2 shows how the interviewees reacted to the assertion about the group to which they belonged and to the assertions concerning other groups.

TABLE 2 ABOUT HERE

Clearly, there were always gaps between how a group assessed its own social status and how other groups viewed its status. But the gap was smallest when workers' status was discussed.

That workers are more dissatisfied with the status quo than other social groups is also revealed by their strong desire to change occupation. The above survey found that, among people from all social groups, workers tended to be more anxious to change their profession: 62.9 percent of the worker interviewees expressed such desire, while only 54.5 percent of elementary and middle school teacher interviewees and 50.4 percent of government functionary interviewees were willing to do so (Outlook May 23, 1988: 13-14).

Without any institutional mechanisms to resolve their grievances against some reform measures which have impaired the interests of the Chinese working class, frustrated workers have attempted to resist the dislocation in various ways.

The passive form of resistance was not to work hard. Many reform measures were designed to stimulate maximum production through output from labor. Because of the lack of workers' participation in the reform process, however, these measures have failed to bring about from labor enhanced commitment and effort on the job. Rather they have dampened the enthusiasm of the masses. In 1986, the NCTU conducted a large-scale survey about workers' attitude towards their jobs under the reform, which involved 640,000 state enterprise employees. One of its findings was astonishing: fifty percent of workers admitted that they did not work to their potential (Xu 1987). Since Deng's regime and many managers treated workers as "wage labor", workers lost their initiative. More and more workers began to take a "working according to pay" attitude to their jobs. A survey of 1987 conducted in Shanghai revealed that 94.4 percent of 1,000 interviewees believed that the majority of their colleagues did work according to how much they earned rather than trying to

bring their potential into full play. The workers' dampened morale is not a secret to factory managers. In a survey of 1988, 89 percent of enterprise managers complained that workers were not working as hard as they used to (Xiao & Shi 1989). In early May 1989, when the protest movement was in the making, a number of the participants of a conference attended by managers from large industrial enterprises also pointed out that more and more workers were losing a "sense of being the masters of the enterprises in which they were working". It seemed to them that this was a dangerous development which might lead to "trouble" and "instability". (Economic Daily May 11, 1989)

The resistance can also be very violent. In Liaoning province, from January to July 1988, there were 276 reported incidents in which factory managers were beaten and a total of 297 managers were injured. It is interesting to note that on average more than one manager was injured per case, which indicates that in some incidents attackers were organized groups. In the provincial capital of Liaoning---Shanyang, an investigation revealed that 54 percent of managers interviewed had been threatened by force or blackmailed. In extreme cases, managers were murdered. In 1988 alone, at least three managers of Shenyang were reportedly murdered because of disputes with their subordinates. Workers in many cases showed no sympathy for the injured and the dead managers. Instead, they said: "It is good to have someone to teach those sons of bitches a lesson" (Economic Daily May 11, 1989; China Daily August 30, 1988). Because of the increasing violence against managers, many managers have installed new doors and windows with iron grating for their apartments to protect themselves and their family members from attack. Some even have hired body guards (Economic Daily March 17, 1990).

The resistance also took organized form. For many years, strikes were unheard of in China. In recent years, however, strikes became a common form of struggle. According to an official estimate, the first ten months of 1988 witnessed more than 700 incidents of strike. This is probably a rather

conservative estimate, because local leaders tend to hold back unpleasant information as much as possible. They would not report strikes to the superiors unless such instances were out of hand and needed help from outside. Among the 700 or so strikes, the largest one took place in the No. 3 Cotton Mill of Xiaoshan county in Zhejiang province, involving 1,500 workers. The longest one occurred in Northwest Medical Instruments Plant of Xian city, lasting more than three months, which resulted in zero output and zero profit for the factory from late December of 1987 to the end of March of 1988 (Zoomlens December 6, 1988). Yet these strikes were localized affairs, mainly protesting unequal distribution within given units. But however primitive, strikes are organized actions. There must be someone to initiate, to mobilize, and to coordinate. The increase of strike incidents indicates that some workers had come to realize the importance of organization. In this context the workers' efforts to set up independent trade unions during the recent unrest should not be regarded as the product of a sudden impulse. Rather it must be understood as an indicator of an important trend.

Workers' discontent created by the dislocation at first was usually targeted at their immediate superiors, namely, factory managers. That is why there has been growing tension between workers and managers in the recent years. As time goes on, however, more and more workers have come to realize that the decline of their social status is neither an isolated nor a transient phenomenon. And it is not merely caused by some despotic and mean managers. Thus workers' discontent has gradually become concentrated on the government which is responsible for those policies trapping workers between "the Scylla of authoritarian managers and the Charybdis of urban unemployment" (G. White 1987: 384). The following accusation by one worker is not necessarily accurate but it seems to voice the strong inner repugnance against the Deng's regime of many others':

This government favors every social group except the working class. The so-called "leading class of the society" has been consigned to limbo. Not only has the government not showed any kindness to workers, it has further tried in various ways to abuse us. The new system of rewards and penalties, the reform of public health service, the new housing program, and so on and so forth. You name it. Which one is not against our interests?(Zoomlens December 6, 1988: 46).

It is such resentment against the Deng's policies that brought hundreds of thousands of workers to the street during the protest movement of 1989.

The high inflation, expanding corruption, and dislocation of the working class resulted in strong discontent among workers. In comparison with the past, they found that their political and social status was declining; in comparison with the expectation Deng's promises of prosperity had aroused in the first several years of the economic reform, they were disappointed by slow material improvements; and in comparison with those beneficiaries of the market-oriented reform, they considered the growing gap between "haves" and "have nots" unjust and unacceptable. In one word, when workers made social comparisons, they felt "deprived."

The inflation, corruption, and dislocation of the working class also greatly undermined the legitimacy of the Deng's regime. Were one to single out one factor underlying workers' support for Communist regimes, it would be an expectation of protection from insecurity, inequality, and uncertainty by a strong welfare state. Deng Xiaoping gambled on being able to compensate Chinese workers with greater prosperity for any erosion of security, equality, and certainty. In the event, the gamble failed. The result was a legitimacy crisis, if we accept Lipset's well-known definition that "legitimacy involves the capacity of the system to engender and maintain the belief that the existing political institutions are the most appropriate ones for the society" (Lipset 1981: 64). Due to the structural change I discussed above, workers

have come to realize that neither their superiors nor the superiors' superiors, namely, Deng's group at the very top, could represent their interests. And skyrocketing inflation and widespread corruption have severely shaken workers' confidence in the government's ability to manage the economy, control its own bureaucratic elites, and ensure social justice. Under these circumstances, it was natural for some politically conscious workers to develop a desire to build up independent trade unions because they learned that without such unions to represent workers' interests within their factory and in national politics at large, workers' basic demands such as a decent material situation and material progress would be very difficult, if not impossible, to attain. Under these circumstances, it was also natural for a vast number of frustrated workers to be ready to throw themselves into the protest movement once the students sparked it, because they had for some time sought outlets to express their resentment but had not yet found any institutional channels.

The Working Class and Democracy

Finally, a few words about a common prejudice against the worker are in order. Since the June event of 1989, there has been a frequent attempt to indicate the apparently purely economic character of the workers' involvement. And it is not uncommon to hear some Chinese intellectual elites, such as those who masterminded the students during the protest movement, saying with contempt: "workers cannot appreciate democracy" or "workers don't care about democratic rights." There is evidence, however, that workers can appreciate democracy at least as well as intellectuals and that they do care about democratic rights. A 1987 survey, for instance, demonstrated that in comparison with the intellectual and other social groups, the worker's understanding of democracy was more accurate (Research Group of Chinese Political Psychology 1988). Table 3 shows its findings.

Marxists may not agree with Abraham Lincoln on a lot of things but his definition of democracy: "government of the people, by the people, and for the people," can be accepted as a succinct summary of main features of a democratic system. Using it as a working definition, we find that altogether 42.4 percent of the workers (see items with *****) identified the three elements of democracy, while only 34.45 percent of the private businessmen, 25.79 percent of the intellectuals, and l8.8l percent of the cadres did that. More significantly, the proportion of workers who realized the importance of "government of the people and by the people' was higher than that of any other groups. In China, both Confucian and communist ideologies emphasize the idea of "government for the people." But the history of China and elsewhere has demonstrated again and again that no government is for the people unless it is of and by the people.

TABLE 3 ABOUT HERE

The same survey also showed that workers were more impatient with the slow progress towards democratization in China. Among workers, 19.22 percent thought "what China needs most badly at present is democratization which is a prerequisite for the realization of the Four Modernizations," whereas only 18.41 percent of the intellectuals, 16.13 percent of the private businessmen, and 11.97 percent of the cadres shared such anxiety (Research Group of Chinese Political Psychology 1988).

Not only do Chinese workers understand the essence of democracy and necessity of democratization fairly well, they also have a strong desire to participate in socioeconomic and political decision-making. According to a report by the NCTU, in 1983, 23 percent of workers expressed their desire to share authority over economic issues in the enterprise. By 1986, workers with such desire had gone up to 41 percent (Outlook November 7, 1988: 14). This

finding indicates that in the face of growing managerial power, more and more workers have come to realize that only a participatory democracy at the grassroots can counterweigh managerial power. But, because Deng's regime is determined to subordinate labor interests to the demands of enterprise efficiency, the workers' desire for participation has rarely come true. And what is worse, as the Deng's reform is developing, workers' influence in decision-making has become more limited. An 1988 investigation about 43 industrial enterprises of Guangxi province revealed that 54.4 percent of the workers felt that their basic rights were threatened by expanding managerial power (China News Agency dispatch from Nanning on August 25, 1988).

In China, the official ideology still places strong emphasis on the harmony of interests existing within the "socialist" community. Within this perspective there is little room for fundamental differences between the state and the working class, or between management and labor, that require institutions to resolve adversarial relationships. Thus, rather than an organization to represent and protect worker interests within the enterprise and in the society at large, the trade union serves merely as a tool of the state to facilitate its control over the working class. Labor is left no means to check the prerogatives of management. But, as shown above, labor wants to be assured of a voice in policy deliberations concerning economic and social issues. This desire has manifested itself in efforts to extricate the trade union from the strict state control. The Eleventh National Congress of Trade Unions was a good example.

Convened in October 1988, this congress represented an attempt of Deng's regime to pacify the increasingly militant working class. Zhao Ziyang made a lengthy speech trying to convince the participants that it was in the workers' interests for them to obey management. But many participants were apparently not convinced. All the three candidates for the leading positions of the new NCTU recommended by Deng's Party center therefore encountered difficulties to

be elected. One of them, Wan Shaofen, actually lost the election. Ni Zhifu, the former chairman of the NCTU, was nominated by Deng Xiaoping to stay in the position. But many participants of the congress held that he was not competent because during his preceding term of office he had been always compliant to what Deng said but had rarely acted as a representative of the working class. Only after Deng stepped up his personal intervention was Ni able to get just enough votes to be elected. Another candidate, Zhu Houzhe, also suffered from a distrust (Zoomlens December 6, 1988: 46). Ironically, it was Zhu Houzhen who made the decision to stage a national general strike on the eve of the declaration of martial law during the protest movement.[11]

The Eleventh National Congress of Trade Unions was a truly unprecedented event. Never in the history of the People's Republic had there been another congress which was boycotted by its participants. If the participants of an official congress, who were carefully screened, could behave so uncooperatively, we may imagine how strong ordinary workers' desire to have a "real" union would be.

From the above discussion, one cannot escape the conclusion that the workers' demands were concerned, directly or indirectly, with important political problems, although they were not given sufficiently general expression. Indeed, the workers' demands were primarily concerned with democratization of relations at the factory level. But their concern about "shop-floor democracy" is at least as legitimate and significant as the intellectuals' concern about "freedom of speech" and "freedom of assembly." Both political democracy and economic democracy are indispensable elements of a truly democratic society. To belittle or even to ignore the importance of "shop-floor democracy" is just as wrong as to slight the significance of "civil liberties." It is obvious to everyone that the students and intellectuals, on their own, do not have the power to transform China. "To do that," as William Hinton points out, "they have to go to the people, and when

they go to the people they have to start dealing with the nitty-gritty issues of peasants' rights and workers' rights... They have to stand with the workers against surrendering all prerogatives to management. They have to defend the 'iron rice bowl,' the job security workers won through revolution" (1990: 191). Otherwise, they would either build up a bourgeois democracy, which is not desired by the broad masses of working people, or never be able to bring about a democracy to China at all.

The military crackdown ended the protest movement of 1989 in China. But sooner or later, the movement is bound to reassert itself, perhaps even more strongly than before, for many of the conditions that gave rise to the protest remain. In any case, the working class in China now is no longer a pillar of continuity but a force for change.

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NOTES

11. In the summer of l967, during the course of an extended tour, Mao noticed that there were two or more factions in almost every factory. He asserted that "there is no fundamental conflict of interest within the working class", but he failed to explain why nevertheless a great division within the working class had exploded. He merely pointed out that the instigation of "capitalist leaders", the sabotage of alien-class elements who had sneaked into the mass organizations, and the "anarchist tendencies" of the rebel or conservative rank-and-filers might have something to do with it. This analysis disregarded latent conflicts among workers in the pre-Cultural Revolution period. A wrong diagnosis could hardly lead to the right recipe for curing the disease. Therefore, he observed in vain that factional fighting within the working class continued until his death in l976.

2. My source is a Chinese scholar having close ties with those who were directly involved in persuading leading figures of the National Council of Trade Unions to stage a general strike. After the crackdown, the Party Secretary of the council, Zhu Houzhe, was purged, apparently because of his involvement in this "conspiracy."

3. Underemployment certainly existed though.

4. My friend, Li Jinjin, a Ph.D. candidate in law at Peking University, was arrested in Wuhan in middle June, l989. There are reports that he has been severely punished because he was one of a few intellectuals who made efforts to mobilize workers and help them in setting up their independent unions during the protest movement.

5. They do appropriate a certain portion of the surplus for their own benefit. Especially since l978, abusing power for private interests has become much more widespread than before. A great amount of public money has been used to pay official banquets, to provide cars for some officials'

personal use, to arrange luxurious offices, and so on. No wonder that the government expenditure on administration has grown much faster than that on other sectors.

6. However, their children do sometimes get preferential consideration when attractive job opportunities open up.

7. Labeling, according to Geof Wood, is a necessary condition of the public management of scarcity. China then was indeed faced with serious problems of scarcity. In the final analysis, the conflict between the two groups of elites arose from "position scarcity" and "resource scarcity." To assure their supremacy over the functional cadres, the political cadres had to determine the rules of access to particular resources and privileges. Authoritative labeling was the base for setting the rules for inclusion and exclusion, determining eligibility, and defining qualifications. See Geof Wood, Labelling in Development Policy (London: Sage Publications, l985), pp. 5-23.

8. In addition to the conflicts between activists and backward elements, there was another type of cleavage within the working class, one between regular state workers and "contract" workers. But this cleavage was only a problem of secondary importance, partially because the "contract" workers were small in number and partially because the "contract" workers themselves were divided into the three categories. "Activists" were more likely to become regular workers.

9. As Andrew G. Walder rightly points out, the distinction between activists and nonactivists was a status difference among workers (and the people in other social sectors) that was just as real as any division based on skill, pay, or ethnicity in the work forces of other countries. See Walder, Communist Neo-Traditionalism--Work and Authority in Chinese Industry (Berkeley: University of California Press, l986), P. l66.

10. In the Soviet Union and other Eastern European countries, the differences between political elites and functional elites began to disappear in the 1960s. See Grorge Konrad and Ivan Szelenyi, The Intellectuals on the Road to Class Power (New York: A Helen Wolff Book, 1978).

11. Ni Zhifu then was visiting the Soviet Union.

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