3 The Iron Man weeps

Joblessness and political legitimacy in the Chinese rust belt

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In March 2002, tens of thousands of middle-aged former oil industry employees in the city of Daqing, 350 miles north-east of Beijing in Heilongjiang Province, began a massive protest movement that was, in the words of Han Dongfang, a labor rights activist based in Hong Kong, "probably the largest over labor issues since 1949." The protesters were angry about losing their jobs, but only exploded into protest when their factories failed to deliver on promised severance packages. Pointedly, one of the leaflets that the protesters distributed was entitled "Retrenched workers cherish the memory of Mao Zedong"; this leaflet contained the clear political message that many workers want the Communist Party to live up to its earlier promises. By wielding language, slogans, and iconography from what were to them the far brighter days of the 1950s, 1960s, and 1970s, these victims of China's market-oriented reforms challenged the Communist Party on emotionally resonant historical grounds. The Communist Party's grip on power does not appear to be immediately threatened, but protests by retrenched workers have called into question the very basis of its legitimacy.

Despite a crackdown by the local authorities, the demonstrations in China's north-eastern rust belt did not die down quickly. The Daqing protest organizers planned a mass gathering for 4 April 2002 in memory of the Maoist-era model worker "Iron Man" Wang Jinxi. The gathering was to take place in Iron Man Square, which fronts the Daqing petroleum administration headquarters. Wang Jinxi, who died in 1970, became known as the Iron Man in 1960 after he and tens of thousands of workers responded to Chairman Mao's call to free China from its dependence on Soviet oil by moving to the bitterly cold marshlands of Heilongjiang Province to dig for oil. Within a few short years, Daqing was home to China's most important oil-producing facility, and in 1964, the slogan "In industry, learn from Daqing" was sounded across the country. Wang Jinxi was said to epitomize the patriotic spirit and willingness to sacrifice for the collective good that characterized the militant asceticism of the Maoist era. In 1967, he was made a national labor model, and his chiseled visage and powerful figure soon adorned the ubiquitous political posters of the age. The Iron Man has had staying power. As late as the 1980s, young people were encouraged to
follow his patriotic example by voluntarily transferring to remote regions to work for China’s development.3

The date of 4 April 2002 was selected for the mass gathering in Daqing because it was the day of the Qing Ming Festival, the annual occasion when Chinese mourn the dead. The gathering’s organizers hoped that 10,000 people would turn out for the occasion, each of them festooned with a white flower in honor of the Iron Man. But honoring Wang Jinxin was to be just one aspect of the day’s events, for the gathering was meant to double as a highly pointed political protest, much like the April 1976 movement in Tiananmen Square following the death of Zhou Enlai. Those gathered at the square in Daqing sought to echo the militant determination expressed in a flier handed out a week earlier at Iron Man Square. That flier called on laid-off workers to “follow the Iron Man’s example,” and argued that “it is better to die twenty years early and struggle with all one’s might to the end” than to put up with the injustice being done to them.4 The demonstrators also planned to resign en masse from the Communist Party in the middle of Iron Man Square and to sign a protest letter against the Daqing Petroleum Administration Bureau, which they accused of unfairly forcing them to sign redundancy agreements that left them without work. The “Three-in-One Day of Action” was thus designed to bring together several related themes to give voice to a powerful cry for justice on the part of people who viewed themselves as victims of the communist government’s decision to restructure inefficient state-owned enterprises (SOEs) at the expense of their jobs.5

Although clearly expressing disenchantment with the Communist Party, the demonstrators in Daqing nevertheless formulated their protest message out of a vocabulary and symbolic repertoire grounded in the history of Chinese communism. By selecting the venue that they did and choosing to honor the memory of a nationally famous model worker, the protestors sought to turn the Communist Party’s own history against it. The protestors’ plan to resign from the Communist Party en masse thus should not be viewed as a repudiation of communism, but rather as a rejection of the Party of today in favor of the Party of old. Whereas their employment in SOEs and their membership in the Communist Party at one time was a source of pride and guaranteed them exalted social status, neither now brought them any benefit. For these people, the Party is no longer the paternalistic protector of bygone days.

The Daqing municipal government’s efforts to block the protest only deepened the workers’ bitterness. The Daqing Public Security Bureau (PSB) issued a “Notice on the Strict Prohibition of Unapproved Burning of Memorial Objects during the Qing Ming Festival” to warn would-be protestors that “trouble-making” would not be tolerated. The PSB’s scare tactics worked: on 4 April, only a few hundred showed up at Iron Man Square. In the words of the China Labour Bulletin: “As the statue of China’s ‘Iron Man’ model worker, Wang Jinxin, stands in apparent peace and quiet in the Iron Man Square of Daqing, over 80,000 oilfield workers are on the brink of destitution – silenced, and barred from organizing or collective bargaining.”6

The protesters were foiled on 4 April 2002, yet that turned out to be but one skirmish in a protracted contest between unemployed state workers and various levels of the Chinese government. March and April 2002 also saw massive protests in Liaoyang, capital of Liaoning Province, where thousands of laid-off workers marched through the streets carrying posters of Chairman Mao. The Liaoyang protests in fact turned out to be more protracted than those in Daqing and far more troublesome to the Communist Party. Seeking to gain the attention of delegates then attending the 16th Party Congress in Beijing, in the fall of 2002 thousands of unemployed workers again took to the streets of Liaoyang to state their case, and sporadic smaller-scale protests also occurred during the first half of 2003.7

The largest protests by laid-off state workers have taken place in the north-east, home to the greatest concentration of heavy industry in China ever since the Japanese occupation of the 1930s, but a significant number of demonstrations have taken place in other parts of the country as well. In recent years, there have been large-scale protest actions by retrenched SOE workers in Anhui, Gansu, Hebei, Henan, Hubei, Inner Mongolia, Shanxi, Sichuan, and Xinjiang provinces. In a country that has seen some 55 million people laid off since 1995 and in which the total number of unemployed could be as high as 100 million, few places have remained unaffected.8 Most alarming for China’s political leaders is that these demonstrations have been extremely well organized, have spawned independent trade union activities, and have taken place in dialogue with one another in spite of the government’s attempt to divide the working class and to impose news blackouts to prevent precisely that kind of linkage from happening. Such developments potentially mean that instead of having to quell disturbances at isolated trouble spots around the country, the powers that be could be faced with a hydra-headed monster able to put forth a strong claim as the legitimate voice of China’s working class.

Are we witnessing the emergence of a Polish-style workers’ movement that spells the beginning of the end for China’s Communist Party? Not in the near term, at least. Experts on China’s labor crisis expect the authorities to succeed in preventing such a movement through their multi-pronged strategy of arresting protest leaders, punishing families for the “crimes” of their members, keeping a lid on the free flow of information, displaying and sometimes demonstrating the state’s capacity to use force, meeting limited protester demands, constructing a more effective social security system, and assuring the continued growth of the Chinese economy in the hope that laid-off workers will be able to find new employment. Generational and life experience gaps between those formerly or still employed in state-owned factories and migrant workers toiling in private or township and village enterprises also militate against the emergence of a widespread Solidarity-style movement.
Finally, because most of those who are participating in the protests are either laid-off (xiagang) or formally unemployed workers, they have little ability to disrupt their factories' production schedules. The protesters in question have lost the ability to strike, in other words, because they have already been shut out of their places of employment. Furthermore, consistent with Andrew Walder's argument that communist China's "neo-traditional" workplace system has succeeded in binding workers to management, few employed workers appear to have gotten involved in their laid-off brothers' and sisters' struggles for justice.

The historical moment

If it is true that the Communist Party has thus far successfully held the "Polish disease" at bay, is it nevertheless the case that the Party is being harmed by the labor protests sweeping the land? Understanding state power to rest both on the ability to wield coercive power and on the ability to engender voluntary consent from the governed, the answer to this question is most definitely "Yes." The Party may not be in immediate danger of losing control over society, but in the eyes of many of its once ardent supporters now belonging to what Dorothy J. Solinger aptly calls the "new crowd of the dispossessed," it has already lost its raison d'être. Moreover, the problem is only going to grow worse now that China has acceded to the terms of the World Trade Organization. International competition and the effort to attract foreign investors will force even more of China's inefficient SOEs to streamline or close down, meaning that employees will continue to be shed at a rapid pace. Given that the constituency in question is the core of China's working class, and that the Communist Party has traditionally represented itself as the champion of that class, these developments are highly damaging.

The distinctive threat to the Communist Party posed by angry and impoverished unemployed state workers can best be understood in reference to China's revolutionary history. In practice, workers in SOEs did not always make steady gains under communist rule; during the Cultural Revolution, wages were frozen such that, from 1957 to 1977, their average real value declined by almost 20 per cent, and the shortage of housing meant that employees had to accept cramped and low-quality living space. At various times during that period, workers engaged in militant confrontations with the Party authorities over these and other issues. Nevertheless, since 1949, that same Party has represented itself as the "self-appointed vanguard of a 'worker's state,'" and hasvalorized workers as the "masters of society." That designation has always been central to the Communist Party's claim that it liberated China from the pre-1949 "feudal" order. Furthermore, during the Mao era, the Party's consistent hostility toward the kinds of people who were the masters of society before 1949 - intellectuals, landlords, and managers, for example - as well as the disadvantaged position of the country's vast rural populace, served as a constant reminder to workers of the relative gains that they had made under communist rule. Workers' expanded importance in communist China can be measured in numerical terms. Whereas the working class had some 9 million members at the time of the Communist Revolution, by the early 1980s the number of workers in SOEs alone was close to 30 million; today, China's working class is the largest in the world. Under Chinese communism, labor's exalted status was reflected not so much in high wages, but by the supposedly indestructible "iron rice bowl," the cradle-to-grave benefits provided to SOE employees. This package of benefits - which undoubtedly fostered worker dependency on the state - included permanent employment, essentially free housing and medical care, food and fuel subsidies, travel allowances, pensions, childcare, and education. The iron rice bowl was considered so desirable that its recipients have been called China's "labor aristocracy." The Communist Party's favorable treatment of workers was in accordance with Marxist theory, which holds that, under capitalism, the proletariat is the most aggrieved class, and that its effort to throw off its chains will lead to a more progressive and just, and therefore higher-order, society. During the Maoist era, that ideological supposition came together with the Party's all-out "war" on behalf of rapid industrialization to create the idea that the working class was akin to a great patriotic army. If China was to survive, let alone advance into the ranks of the world's great powers, it had to rely on the will and fortitude of ordinary workers. The Communist Party could point the way forward, but in the end it needed foot soldiers to do the dirty work, to actually hack at the frozen earth in the marshlands of Heilongjiang and elsewhere. Rugged, honorable, and obedient, Iron Man Wang represented what the Party wanted from those foot soldiers. The Party's constant use of martial language and imagery played on the idea of workers as patriotic soldiers. Few countries willingly send their troops into battle unprepared; if the Communist Party was going to make such heavy demands on Chinese workers, it had to arm them by providing an iron rice bowl. Similarly, it incurred an obligation to take care of its veterans in their old age, after their lifetime of service to the national cause.

The protest discourse

Retrenched workers have made use of this historical legacy and of China's experience under communism more generally in their recent protests. Not only have they proven to be astute students of the radical politics of the Cultural Revolution period (through their demonstrated ability to organize, to make speeches, and to paste up political posters), they have also seized on the idea that they are soldiers who gave their lives to make China modern and strong, and that now, as veterans, the state owes them a livelihood. A banner held aloft at one of the Daqing protests of March 2002 stated: "The army of industrial workers wants to live!" Labor rights activist Han Dongfang captured the same sentiment when he wrote that "China's
At factories across China, rage over mismanagement and corruption has exploded since the restructuring of SOEs was enshrined as official policy at the 15th Party Congress in 1997. That policy assured that growing numbers of enterprises would be forced to shut down, thereby creating an opportunity for unscrupulous managers and Party leaders to help themselves to whatever of value was left at their factories before the inevitable closures took place.

By encouraging market forces while closing down SOEs, China’s central government has forced workers to fend for themselves, resulting in a far more fluid and mobile (mostly downwardly) social environment, one over which the Party has far less control than in the past. Indeed, a significant feature of today’s labor disputes is that they blur the once sharp lines dividing “society” and “state.” The dualistic state–society model is simply inadequate to describe today’s complex social and political reality. Multiple actors are involved in these labor conflicts – employed workers, furloughed workers, factory managers, local Communist Party officials, national-level government representatives, officials with the All-China Federation of Trade Unions (ACFTU) – and frequently they do not share interests in common. Under these circumstances, distinct elements of what in the past might have been lumped together in the “state” and “society” categories respectively now find themselves ranged against one another in cross-cutting, shifting alliances.

For example, employed workers with a stake in the maintenance of social and political order have been known to side with management or local Party officials against protestors intent on disrupting the status quo. Likewise, laid-off workers often appeal to their provincial governments or to Beijing to help them in their battles with local Party leaders and corrupt factory managers, many of whom enjoy close ties to powerful figures in the local Communist Party. These furloughed workers are making appeals to the central government precisely because local officials have proven unwilling or unable to attend to their grievances, and because they know that Communist Party leaders are under considerable political pressure to root out corruption. In case after case, managers with strong connections to local government officials have made off like bandits, setting themselves, their families, and their cronies up in fine style, while ordinary workers have been left with nothing. Letter-writers from the Liaoyang Ferroalloy Factory made the following accusations against Fan Yicheng, their plant’s Party secretary and director:

Fan took holidays abroad and gathered up large amounts of foreign exchange to fill his own coffers to the brim. At the factory he bullied and intimidated workers and used hundreds of thousands of public funds to refurbish his house and send his two children abroad to study. Fan and his corrupt friends used state funds to eat, drink, gamble, whore, and anything else they felt like doing ... Even more serious was the refusal to pay employees’ pension insurance contributions ... As a
result, now that the factory is bankrupt we are unable to draw our pensions and have no way of meeting our livelihood expenses.20

The breaking point came in March 2002, when Gong Shangwu, the local delegate to the National People's Congress and former mayor and Party secretary of Liaoyang whom the workers at the Ferroatloy Factory accuse of colluding with Fan Yicheng, stated to a television reporter covering the National People's Congress (then in session in Beijing) that Liaoyang's unemployment problem had been rectified and that the restructuring of industries in the city was going smoothly. Considering that there were over 100,000 unemployed and laid-off workers in Liaoyang when Gong made his statement, this assertion was nothing short of outrageous. In response, thousands of retrenched workers poured into the streets to demand Gong's resignation and, again identifying themselves with China's revolutionary heritage, that Liaoyang be "liberated."21

The demonstrators' rhetorical strategy raises the question of who it was, exactly, that was supposed to "liberate" the city, as well as what "liberation" meant to those who put forth the call. One of the most noteworthy features of these protests is that laid-off workers from numerous different factories took part. Some 2,000 former employees of the Ferroatloy Factory were involved, and 15,000 retrenched workers from piston, instruments, leather, and precision tool factories participated.22 The formation of a cross-factory alliance suggests that the protesters believed that they, the working class, should "liberate" Liaoyang. However, for all that their rhetoric recalls the Maoist period, the protesters were not calling for a return to the ultra-leftist spirit of those days. Rather, in defending their own interests, they were by definition questioning the virtue of the market-oriented change that the Party has embraced in the name of growth and modernization. The social compact of the Maoist past, the protesters were saying, resulted in a more just society than the policies of the reform era that followed. The attachment to Mao and all that he symbolizes was plain to see recently when workers' representatives traveled from Jiamusi in Heilongjiang Province to Beijing to present a petition to the central government: after making their presentation, they "made a pilgrimage to the Mao Mausoleum" and then returned to Heilongjiang. In Chongqing, too, protesting oil workers recently hoisted a banner whose language invoked the past to indict the present - "Iron Man, Iron Man look back, corrupt officials are at your back. Iron Man, Iron Man look ahead, your kids live by begging." After they did so, company leaders felt justified in labeling them reactionaries.23

The ambivalent relationship between the authorities and unemployed workers

To view the protesters as reactionaries is to embrace a limited and literal concept of politics that holds that all people who oppose any type of change are enemies of progress. Such a view leaves little room for a discussion of what kind of changes should be supported, or of how positive change can best be brought about. Faced with managers and local officials who show no inclination to address these all-important qualitative issues, retrenched workers have quite naturally looked outside their local environments to the provincial and national governments for assistance. The instinct to turn to Beijing for help in overcoming the abuses and apathy of plant leaders and city officials indicates recognition of the reality that the central government, assuming that it has the will, usually has the power to modify the behavior of local power-holders. But the strategy of appealing to a higher level of the government to discipline a lower level also reveals that the protestors do not view the state in monolithic terms. When protestors from Liaoyang wrote their plea for assistance to Jiang Zemin in March 2002, they used highly respectful language that in no way challenged the dominance of the Communist Party. Instead, they represented themselves as allies of Party central and as guardians of socialism:

Respected and beloved Secretary General Jiang, we do not oppose the leadership of the Party or the socialist system...[O]ur efforts are aimed to help the country... eliminate all the corrupt worms boring away at and ruining our socialist economic system... Since the reforms started, the Chinese working class has been the Party's source of fresh, combat-ready troops in the economic battles that have faced our country...[But now] with no other option or way out before us, we hope that you, as our leader, can lead us out of this darkness and put us back on the right track... We fervently hope that you will read this letter. It is perhaps more than we deserve that you use up your valuable time, but there are genuine reasons for our actions. We had no option but to write directly to you. Finally, we wish you a long and healthy life and offer our deepest respect.24

The language of this letter indicates strategic thinking on its authors' part, but it also shows that the demonstrators continue to subscribe to the paternalistic model of politics upheld by the Communist Party. The letter makes clear that its authors are deeply angry with their factory head and with local Party representatives. Conspicuously, however, there is no explicit, larger critique of China's political system here. Rather, the letter-writers are reminding their leader of the Mencian dictum that the little people have a right to rebel when their rulers fail to fulfill their obligations.

For its part, the Communist Party leadership has also displayed ambivalence toward the retrenched workers, and has shown, in Trini Leung's words, "considerable vacillation and a wide divergence of approach, between different government departments and regions, in the official handling of the various workers' protests."25 Recognizing that it is hemmed in by the legacy of its own historical support for the idea of a workers' state, and
wholly cognizant of the risk it would be courting if it entirely ignored the suffering of the millions of unemployed workers, the Party has adopted a carrot-and-stick approach to the demonstrations that aims to mollify the rank and file among the protestors while cracking down on organizers. Time and again in recent years, the Party has offered furloughed workers token payments in order to make their lives more tolerable and to demonstrate that the state does in fact care about their well-being. These monetary awards bring real, if temporary, relief to the protestors. In many instances, the Party has also responded to the demonstrators by promising to investigate the charges of malfeasance that they have leveled at factory heads and local Party bosses. This, too, has sometimes led to meaningful action, even if it has not spurred the Party leadership to alter its fundamental policy of industrial restructuring. For example, in July 2002, Fan Yicheng, the former director of the bankrupt Ferroalloy Factory in Liaoyang, was arrested, and in March 2003 given a thirteen-year prison sentence by the Liaoyang Intermediate People’s Court.\(^\text{26}\)

In general, however, top Communist Party officials get involved in local labor disputes only after and because they have become explosive. Theoretically, this does not need to be the case, since the Party-run ACFTU—which is the only legal trade union in China—has branch offices in all SOEs. Many cadres who work for the ACFTU genuinely care about the welfare of China’s working class and have been outspoken about the desperate need to improve conditions in factories, especially foreign-owned ones that employ rural migrants. Along these lines, in a speech to ACFTU cadres in 2000, Politburo Standing Committee Member and ACFTU Chairman Wei Jianxing complained that “the organization of trade unions in newly established enterprises has simply not happened,” and that a 100 million workers in China were not organized. “When there is not even a trade union,” Wei asked rhetorically, “what is the point of talking about trade unions upholding the legal rights of workers? Or trade unions being the transmission belt between the Party and the masses? Or trade unions being an important social pillar of state power?”\(^\text{27}\) Despite the fact that Jiang Zemin angrily scolded Wei Jianxing for appearing to be “sympathetic” to independent trade unions, workers have little faith in the ACFTU or its chairman.\(^\text{28}\) Virtually every time demonstrations have taken place, protestors have reported that they sought help from their local branch of the ACFTU only to be ignored or, worse, reprimanded. Fundamentally, the ACFTU is compromised by the Communist Party’s insistence that it promote political and economic stability above all, and that it manage China’s labor environment so as to attract foreign investors. Perhaps most telling of the official union’s inability to stand up for the interests of workers in SOEs is that the massive protests in Daqing and Liaoyang received no coverage in the pages of the Workers’ Daily, the official voice of the ACFTU.\(^\text{29}\)

The ACFTU’s inability to prevent censorship of news on labor unrest is consistent with its refusal to tolerate anything that smacks of independent labor organizing. The Workers’ Daily and other periodicals regularly report on problems in China’s workplaces, including industrial accidents, corruption, and the poor treatment of workers in foreign-owned factories, but the press has remained silent about the protests in the north-east because of their enormous scale and because they have involved the organization of independent trade unions, an activity that is strictly forbidden by the Communist Party.\(^\text{30}\) In recent years, Chinese labor law has undergone positive revision, much of it designed to improve work conditions in privately run and foreign-owned factories. While these laws have thus far not been well enforced, they do show that the Party is aware of abuses and seeks to do something about them. On the other hand, Chinese labor law has become increasingly restrictive as regards the right of workers to organize for the defense of their own interests. Between 1975 and 1982, the right to strike was nominally guaranteed by China’s constitution, but since 1982, workers have not even had the nominal right to take independent action on their own behalf. Furthermore, China’s Trade Union Law leaves no room for doubt as to the ACFTU’s obligation to obey the Communist Party leadership: “Trade unions shall observe and safeguard the Constitution, take it as the fundamental criterion for their activities, take economic development as the central task, uphold the socialist road, the people’s democratic dictatorship, leadership by the Communist Party of China, and Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping Theory.”\(^\text{31}\) The Trade Union Law specifically outlaws the formation of trade unions independent of the ACFTU, a phenomenon that occurred in Beijing during the demonstrations of the spring of 1989, and which has occurred sporadically since that time.

The surge in independent trade union activity

Because their pleas to Party leaders generally have not resulted in lasting improvement in their material circumstances, increasing numbers of workers are flouting the Communist Party’s authority by turning to independent, worker-led trade unions. In 1999, an organizer of one such union from Gansu Province, Yue Tianxing, was arrested, charged with subverting the government, and given a ten-year prison sentence for publishing a newsletter entitled Chinese Workers’ Monitor and for organizing thousands of workers who had lost their jobs to demand payment of months’ worth of back wages. Hunan labor activist Zhang Shanguang was given a similar sentence for organizing the Shupu County Association for Laid-off Workers and for communicating with foreign reporters. According to human rights organizations tracking his case, Zhang has endured beatings in prison and has been forced to do hard labor for up to sixteen hours a day.\(^\text{32}\) Attempts to found independent trade unions occurred in Daqing and Liaoyang in 2002. In Daqing, protestors marched under the banner of the Daqing Petroleum Administration Bureau Retrenched Workers’ Provisional Union Committee; in Liaoyang, workers from a variety of different factories joined forces
under the banner of an independent organization, the Liaoyang City Unemployed and Bankrupt Workers Provisional Union.

As it had in the earlier cases, the Communist Party responded to these assertions of independence by seeking to “kill the chicken to scare the monkey” — that is by arresting union organizers to frighten rank-and-file protestors away from continued participation. In Liaoyang, the 17 March arrest of labor leader Yao Fuxin resulted in a new, and to the Party highly ominous, development when on 18 March 2002, some 4,000 laid-off Ferrolloy workers joined by upwards of 30,000 supporters from over a dozen other factories marched down Democracy Road to the municipal government building to demand Yao’s release. Two days later, three other worker representatives (Pang Qingxiang, Xiao Yunliang, and Wang Zhaoming) were arrested. The detention of these men, who were soon dubbed the “Liaoyang Four;” then became the focal point of ongoing protests in Liaoyang. In late September 2002, over 600 Ferrolloy workers unsuccessfully petitioned the municipal government to release the Liaoyang Four before National Day. Timing their actions to coincide with the run-up to the 16th Party Congress, in early November between 3,000 and 4,000 retrenched workers again massed before the government’s office to ask “What Crime Have the Liaoyang Four Committed?” and to demand the payment of basic welfare subsidies. Subsequently, when instead of getting a sympathetic hearing from the delegates at the Party Congress, Liaoyang’s retrenched workers learned that ACFTU Deputy Chairman Zhang Junju stated during a press congress in Beijing that Yao Fuxin “had been detained because he had broken Chinese law by carrying out car-bombings and not because he had organized a workers’ campaign,” they reacted with outrage and declared that Zhang was inventing things in order to smear the workers’ reputation. According to labor activists, such tactics have been employed frequently by authorities seeking to discredit protestors; one of the most common means of doing this is to accuse the demonstrators of having ties to the outlawed Falun Gong spiritual movement. Nevertheless, as already stated, the Party-state is not without its own internal cleavages. Following Zhang’s remarks, officials in the Liaoyang government’s General Office and from the Liaoyang Federation of Trade Unions, a subset of the ACFTU, stated unequivocally that in fact no car bomb had taken place in Liaoyang, and that Yao was innocent of these charges.

On the lookout for issues around which to mobilize pressure on the Chinese government to uphold the international rights regimes to which it is a party, international labor and human rights organizations openly supported the Liaoyang workers’ campaign for the release of the Liaoyang Four as a means of drawing attention to the broad issue of freedom of association in China. Another case that has recently received significant international attention for the same reason is that of Di Tiangui, a former state worker at Taiyuan City Dazhong Machinery Factory in Shanxi Province who is now in prison for writing a series of letters to Jiang Zemin regarding the injustices suffered by workers and for attempting to set up what would be China’s first national organization representing retired state workers. In a “call to action” that he distributed to workers in Taiyuan and mailed to people elsewhere in China in May 2002, Di wrote that “our target is indeed the party central committee, Jiang Zemin and the theories of the party and their incorrect policies, but we are not opposing the Communist Party.” Despite this disclaimer, Di went on to make assertions that were certain to be interpreted by the Party as subversive, stating that an association of 30 million retirees could have significant political influence, and that “if the Party goes against the will of the workers, the workers must correct the party.”

The domestic and international campaigns on behalf of the Liaoyang Four, Di Tiangui, and other imprisoned labor rights activists are highly troubling to a Communist Party already startled by the extent to which information about labor disturbances in one part of the country is finding its way to other parts of the country via “underground” channels. In numerous instances in 2002, retrenched workers elsewhere in China were inspired by the events in the north-east to take to the streets for the defense of their own interests. For example, in May, laid-off oil workers in Hebei Province held demonstrations at which specific mention was made of the events in Daqing and Liaoyang, and in September, Chongqing-based oil workers began to organize themselves to take legal action in defense of their rights to pensions and employment. One of the Chongqing workers acknowledged that he and his colleagues had been receiving information on the Daqing protests and stated: “The workers here view the courage ... of the Daqing workers with great admiration. We think that [they] have earned respect for Chinese workers. Chinese workers are grateful to the workers in Daqing.” The massive scale of the unrest in the north-east, added to the fact that the Daqing name carries so much significance for the Chinese working class, no doubt helps to account for this phenomenon.

The Communist Party’s balancing act

The Communist Party has reacted aggressively toward organizers of autonomous trade unions. Still, a recent report prepared by Human Rights Watch argues that the Party’s response to the unprecedented labor unrest of 2002-03 was relatively restrained:

In its effort to avoid worker cohesion across occupations, industries, and regions, the Chinese government has tried to avoid fanning worker unrest; it has not, therefore, seized large numbers of labor protestors as soon as they took to the streets. Instead the government has managed protests through a seemingly successful low-key combination of limited force and limited payouts. According to a report, Beijing also instructed officials in the northeastern provinces to avoid coercion whenever possible.
To be sure, local governments have deployed large numbers of armed police in order to intimidate protesters and have resorted to crude measures to restore order, but with the exception of a handful of high-profile figures, few people have been arrested. In general, China’s leadership has pursued a divide-and-rule strategy, encouraging employed workers to keep their distance from the protests, and intentionally causing the rank and file among the unemployed to believe that the protests are to blame for the cancellation of payments. Through this sort of skillful management of the situation, the government has thus far successfully prevented a Polish-style movement from taking shape; it recognizes that it must tread lightly, or at least appear to be doing so, in order to avoid further antagonizing the protestors. As the Human Rights Watch report goes on to observe, the Communist Party understands that “a crackdown of the intensity and ferocity that has characterized the Falun Gong campaign” might lead to a backlash from employed workers in addition to those who have lost their jobs, thereby causing serious damage to the Chinese economy.

For their part, the protest leaders have demonstrated an awareness of the growing extent to which China’s domestic politics are entangled in a web of international legal and media processes. The Chinese government is wary of these processes and has sought to limit outside involvement in labor disputes by, among other things, expelling foreign reporters who seek to cover them and warning protestors not to speak with foreign journalists. At the same time, it has courted agencies such as the International Labor Organization (ILO), on whose governing body the ACFTU has recently won a seat. This angers Chinese labor activists, who view the development as an ominous sign that the Communist Party’s public relations efforts have succeeded in persuading outsiders not to press too hard for the cause of independent trade unions in China. Such setbacks notwithstanding, retrenched workers know that scrutiny by non-governmental organizations, international bodies, and foreign governments is to their advantage in that it produces pressure on the Communist Party to refrain from the use of violence and to follow international rights regimes. With this in mind, protestors have established contacts with foreign journalists who can transmit their stories out of China, and they have blocked trains full of foreigners in hopes of generating media attention to the causes for which they are fighting.

Protestors’ attempts to gain international attention reflect a degree of familiarity with rights-based legal discourse and labor norms and the belief that China’s membership in the ILO, as well as its ratification of the United Nations-based International Covenants on Economic, Social and Cultural Rights (ICESCR) and on Civil and Political Rights (ICCPR), obliges the Chinese government to allow freedom of association for workers. At the core of the ILO mandate are the following terms: “The ILO formulates international labor standards in the form of Conventions and Recommendations setting minimum standards of basic rights: freedom of association, the right to organize, collective bargaining, abolition of forced labor, equality of opportunity and treatment.” In March 2002, the general secretary of the International Confederation of Free Trade Unions (ICFTU), Guy Ryder, wrote to President Jiang Zemin to express concern about the Chinese government’s handling of the protests in Daqing. Ryder stated that the use of force to deal with the protestors was not acceptable and, citing China’s membership in the ILO, wrote that “the establishment by workers of organizations of their own choosing for the protection of their economic and social interests is an internationally recognized human right, guaranteed by ILO Convention.

The Chinese government has thus far refused to alter its approach to independent trade unions and has trumpeted the recent elevation of the ACFTU representative to the ILO’s governing body, but the involvement of foreign watchdogs has forced the Communist Party to take international standards and opinion into account. Thus it is that China’s minister of labor and social security, Zhang Zuoji, felt compelled to state in May 2001 that Chinese workers “have freedom of association, in conformity with Chinese conditions,” and that there are at present “no people detained or jailed because of legitimate participation in trade union activities.” Similarly, the Chinese government’s formal response in September 2002 to the ICFTU complaint lodged through the ILO the previous March – that the Liaoyang protest leaders “jointly carried out planned activities of terrorism and sabotage” – can also be understood in this context. In terms of international diplomacy, it was difficult for the Chinese government to justify its detention of the labor leaders with the argument that they had been involved in the formation of an independent trade union. To avoid having to do that, the Party has instead depicted the Liaoyang labor leaders as violent criminals. While certainly not the outcome that foreign-based human and labor rights organizations desired, they might take some consolation from the fact that their attention to the case of the arrested Liaoyang labor leaders forced the government to worry about their presence and their positions. Furthermore, as protests against the harsh treatment of Yao Fuxin and Xiao Yunliang (the Liaoyang Four became the “Liaoyang Two” in December 2002, when city authorities announced that they were dropping charges against Wang Zhaoming and Pang Qingxiang) by New York-based Human Rights in China and Hong Kong-based China Labour Bulletin make clear, the trumped-up charges against the two men have provided supporters of human and labor rights in China with an additional opportunity to attack the Communist Party for failing to uphold its own laws and international covenants to which it has acceded. The two rights groups submitted petitions on Yao and Xiao’s behalf to the United Nations Working Group on Arbitrary Detention in November 2002.

Yao Fuxin and Xiao Yunliang finally had their day in the Intermediate People’s Court of Liaoyang Municipality on 15 January 2003. Although Yao and Xiao were held in pre-trial custody for ten months, the two men’s defenders (Yao had a lawyer, while Xiao was represented by a relative and a
friend) were informed of the trial date and given a copy of the prosecution's indictment just hours before the proceedings began. During the trial, several hundred protestors huddled in sub-zero temperatures outside the courthouse. Inside, the prosecution never mentioned the terrorism and sabotage charges that government officials had raised in response to complaints from the ILO just months earlier. Instead, Yao and Xiao were "charged with 'subversion' and 'organizing illegal demonstrations,' on the grounds of their alleged 'links with foreign hostile elements' and membership in the 'banned China Democracy Party.'" Yao and Xiao denied the charges and claimed that their involvement in the demonstrations of March 2002 was motivated simply by their desire to see justice done on behalf of the unemployed workers from the Ferroalloy plant in Liaoyang.

In March 2003, between the trial and the sentencing that took place in May, the ILO's governing body once more appealed to the Chinese government to release the Liaoyang workers still in detention and to drop all charges against them. The ILO's appeal fell on deaf ears. On 9 May 2003, Liaoyang's judicial authorities found Yao and Xiao guilty of being "dangerous elements who posed a severe threat to social 'stability and unity,'" and sentenced them to seven and four years' imprisonment respectively. In late June, the two men's appeals were rejected and the case was closed. Following the verdict, China Labour Bulletin's Han Dongfang, who was named as one of the "hostile foreign elements" with whom Yao and Xiao had been in contact, reacted with outrage: "China Labour Bulletin is appalled by these lengthy sentences handed down to two men who are guilty of nothing else but attempting to protect and promote the legitimate rights of Liaoyang workers."

Acknowledging that the outcome of Yao and Xiao's cases is devastating to Liaoyang's workers, China Labour Bulletin has nevertheless put a brave face on the story by declaring that, while "it remains to be seen whether the harsh and unjust sentences passed on the Liaoyang Two will succeed, as the government clearly hopes, in putting an end to the workers' movement in Liaoyang," it is "clear from the events in Liaoyang over the past year" that "China's workers have at last begun to reclaim for themselves some of the sense of collective power, and autonomy of action, that the Communist Party relented them of several decades ago when it declared that it alone had the requisite credentials to represent the country's 'labouring masses.'" Unless "the government begins to allow workers some modicum of true independence," a report in China Labour Bulletin states threateningly, "it will inevitably face ten, twenty or a hundred Liaoyang workers at some point in the not-too-distant future." A dispirited comment by one Liaoyang labor organizer -- who would only give the name Tie -- made a similar point: "In China, even if you break your head against the wall, it's no use. All we can do is wait for the revolution." Though saying so in different tones, both statements suggest that it is only a matter of time before China contracts the dreaded "Polish disease."

4 “Paying the price: worker unrest in northeast China,” p. 27.


10 Waldner, Communist Neo-traditionalism.


12 Although the state-owned sector’s percentage of industrial output value has dropped dramatically since the end of the Mao era, it can “still be considered the backbone of Chinese manufacturing” because it dominates in heavy industry and thus provides “the basic inputs upon which all other sectors depend.” Edward Steinfeld, Forging Reform in China: The Fate of State-owned Industry (Cambridge University Press, 1998), pp. 13–15.


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17 On this, see Waldner, Communist Neo-traditionalism.


20 Ibid., p. 39.

21 Ibid., pp. 16, 21; “Liaoyang workers still fighting.”

22 Ibid., p. 21.


27 Quoted in “Paying the price: worker unrest in northeast China,” p. 10.


31 Quoted in “Paying the price: worker unrest in northeast China,” p. 12.


33 “The Liaoyang Four have been detained for almost seven months—with no formal charges, the Liao- yang workers still fighting,” “CLB statement on ACFTU deputy chairman’s recent remarks on Yao Fuqin,” and “The Liaoyang interviews: CLB follows up accusations of violence against Yao Fuqin by ACFTU leader,” China Labour Bulletin, 16 October, 7 November, and 12 November 2002 respectively. On accusations that protestors have ties to Falun Gong, see “Paying the price: worker unrest in northeast China,” p. 32, and “Retrenched oil workers in Sichuan get organized for legal action,” China Labour Bulletin, 17 September 2002.


37 Ibid., p. 37.

38 Ibid., p. 33.


40 “Paying the price: worker unrest in northeast China,” p. 31.

