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By What Right do Chinese State Enterprise Workers Fight for Rights?

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The significance of Chinese workers’ protests in the state owned enterprise (SOE) sector has been framed in the sociological literature as struggles to expand the range of democratic citizenship. This analytical framework has been employed as a way to avoid what are seen as errors made by both neo-liberal ideologists of free markets and dogmatic forms of Marxist ideology. There is little question that workers in China are advancing protests on legal and political terrains consistent with the democratic citizenship rights frame. However, does this theoretical frame reproduce neo-liberal ideologies that uncritically bolster privatization? In this article, I will argue that, especially in the case of SOE workers’ protests in China, the citizenship rights frame lends itself to an insufficient theorization of the political-economic stakes in the battle over privatization today. This paper bases its critique of ‘citizenship rights,’ as a theoretical frame, on primary and secondary data from a dramatic and militant protest against fraudulent privatization at the state-owned Zhengzhou Paper Factory in the early 2000’s. This particular case study suggests that frameworks that conceptualize workers protests in China as battles over liberal citizenship rights potentially limit our ability to comprehend the sociological significance of Chinese SOE workers’ struggles. These struggles, I argue, are, at their core, battles over socialist property rights, which liberal citizenship rights are unable to resolve, even where such rights are well developed.

The State of the Literature: 1980’s to late 1990’s

There has emerged considerable interest in the condition and consciousness of Chinese labor in light of the dramatic changes that have occurred in Chinese workers’ status since the beginning of the turn to ‘market socialism’ from the late 1970’s. This interest was not immediate. Until the 1990’s, the types of market oriented restructuring that took place in China remained largely relegated to the rural sector (Korsec 1992; Smith 1993; White 1987). Urban SOE workers tended to attract little serious attention among Sinologists. If anything, urban SOE workers’ protected position in China’s political-economy provided more grist for mainstream Sinologists to contend that the state sector had little to offer Chinese workers (White 1995, 347). New forms of workplace organization, i.e. private market oriented ones that ‘freed’ state workers from their work unit’s umbilical cord, were going to lead to a new free wage-working class that could bargain on behalf of its independently determined and bargained interests (Nee 1989; Walder 1989).

For a brief period in the late 1980’s, social scientists did show a spark of interest in the state of China’s SOE workers. This occurred when it appeared that new autonomous workers’ councils were forming to support the Tiananmen student demonstrations and demands for political overhaul in 1989 (Black 1993; Walder 1989; 1991; 1992; Walder and Gong 1993). Lau amply documented that such political consciousness on the part of Chinese workers, especially state workers, was greatly exaggerated by social scientists who were sympathizers of the autonomous unionists (Lau 1996). In any event, during the early 1990’s, when more and more state workers began to experience the impact of private sector competition eating away at their livelihoods, academics still showed little interest in the fate of China’s SOE workers. The bubbly excitement about rapid growth throughout the post-Tiananmen 1990’s (even if often fueled by speculation) rendered concerns about the price being paid by China’s state workers to the periphery in China-focused social science literature.

However, given the 1990’s dynamic growth and changes spurred by exponential leaps in China’s foreign export zones (FEZ) and by ‘floating populations’ from rural areas that provided the source of foreign
investors’ profits, research on Chinese export zone workers’ Dickensian labor regimes did generate sociological interest (Lee 1995; Zhao and Nichols 1996). The significance of this attraction, however, bears the stamp of an ideological trend in the literature. Although private sector (rural ‘migrant’) workers were regarded as a heavily exploited and downright abused sector of the Chinese workforce, one expected outcome of their struggles in the workplace was the development of labor markets and new interests-based institutions that would enable workers to improve their position economically (Nee 1996). Ideally, these new methods would be ones that would empower workers’ capacities to independently organize and represent their collective interests. That is to say, private sector workers would provide lessons for the rest of China’s SOE workforce on the value of removing the Party and state from the workplace and creating the possibility for workers to individually or collectively represent their self-interests.

Until the late 1990’s, it was not difficult to find academics and political cadres who suggested that China’s SOE workers would and probably even should play a relatively minimal role in the shaping of Chinese workers’ fates in the transition from state socialism. This reflected the then widely shared presumption among academics and media figures in China that China’s state workers were holding back ‘reform’ of labor markets, economy, and society. Workers in the falling SOE sector, it went, refused to embrace the concept of individual or collective self-interests in private labor markets. Free market ideologues and market-transition ‘gradualists’ alike believed that a constructive contribution from SOE workers to reforming the state of China’s labor relations could not occur in the SOE sector as long as SOE workers insisted on clinging to distinctly non-liberal and collectivist ways of producing and distributing enterprise surpluses.

The State of the Literature from the Late 1990’s to Present

It is safe to say that the East Asian Financial Crisis in the late 1990’s alerted social scientists to the ongoing crisis of China’s SOE workers and led them to reconsider what contribution such workers might make in shaping China’s future experiments with market guided policies. Starting in the late 1990’s the problems faced by China’s SOE workers became too intensely volatile (and violent) to ignore. To the surprise of some, now it was China’s SOE workers who were demonstrating the greatest assertion of collective protests in the new millennium. A spate of articles and books in both academia and media energetically addressed and expressed a rapidly growing interest in Chinese SOE workers’ resistance to the excesses of neo-liberalism (Blecher 2003; 2005; Chen 2000; 2003; 2006; 2007; Hurst 2004; Lee 2002; 1999; 2000a; 2000b; 2002; 2007; Unger and Chan 2004; Philion 2005; 2007; Tong 2005).

As this literature evolved, a focus emerged on the problem of ‘rights’, especially the ways in which SOE workers made use of liberal legalistic understandings of rights, which presumably the newly prominent role assigned to private capitalist investment in the Chinese economy made possible. In this view, China’s SOE workers’ protests could occur because they put forth citizenship and autonomously based rights claims that implicitly moved away from obligations based ideologies of labor-management harmony embedded in the Maoist period state socialist enterprise labor relations (Gallagher 2005).

However, SOE workers’ protests, despite their dramatic frequency and militancy, remained characterized as ‘nostalgic’, ‘desperate’, ‘survival oriented,’ and, simultaneously, operating with forms of consciousness that ‘reproduced the ideologies of capitalism’. State workers were regarded as only weakly assimilating market embedded notions of legal citizenship rights that could strengthen workers’ organizational capacity (Lee 2000). Blecher (2002), contended that state workers’ protests lacked a militant character because they essentially submitted to the logic of capitalist markets. Once state workers received some form of compensation as a means to redress grievances, their protests and challenges to neo-liberal policies were neutralized.

Ching Kwan Lee has been in the lead as the most prolific sociologists to document and analyze the transition of consciousness among China’s SOE workers:

In the rustbelt, I have found “protests of desperation,” in which veteran state workers, staking their claims on moral and legal grounds, primarily take their grievances to the street, leveraging a strategy of political bargaining by shaming local officials and disrupting traffic and public order, and make only occasional and individual forays into the legal system. Rhetorically, workers’ insurgent claims draw on political discourses of class, Maoism, legality, and citizenship. Such protests coexist with a survival strategy that relies on the remnants of socialist entitlements, primarily allocated welfare housing, and on informal employment (Lee
Lee’s field interview based research contrasts state workers with rural migrant workers who more immediately and aggressively resort to discourses that stressed legally bound citizenship rights. For migrant workers in southern China, conditions of work are shaped more directly by for-profit markets, which, it is argued, give rise to a different type of consciousness from northern SOE workers, one that is more citizenship oriented. Throughout Lee’s work, based on rich field interviews, is a theoretical frame that conceptualizes state workers as being less likely to possess a consciousness that can substantively challenge the new and distinctly uneven balance of power between labor and capital under China’s neoliberal turn from state-socialism. Thus, Lee theorizes that although China’s SOE workers also engage a rights oriented rhetoric, their actions are more rearguard in nature than private sector workers in the south, seeking not so much to transform labor relations as much as to salvage severance payments from a government they look to fulfill its socialist ‘duty’ in order to cope with unemployment. For all their militancy, SOE workers lack a sense of interests that are distinct from their employer: thus their underdeveloped assertion of rights. Or, even when China’s SOE workers do engage legal rights, their faith in such rights are very weak because of their (quite accurate) belief that the law in China is not taken seriously by judicial officials who hear cases that workers bring to court.

Chen Feng (2007) likewise chooses the problem of rights as the theoretical prism through which to interpret the sociological significance of China’s SOE protests. Chen compares the uneven emphasis on individual versus collective rights in Chinese labor law since Mao. Chen meticulously delineates the protections of individual bargaining rights that Chinese labor law currently accords workers and finds that they are far greater than rights Chinese workers enjoy at the collective level:

(W)hile Chinese labor legislation stipulates workers’ individual rights regarding contracts, wages, working conditions, pensions, and so on, it fails to provide them with collective rights, namely, the rights to organize, to strike, and to bargain collectively in a meaningful sense. The exercise of collective rights, of course, does not necessarily change the basic structural disadvantage of labor in a capitalist economy where employers determine the nature and availability of jobs, but as labor history in other social contexts shows, it is crucial for the development of ‘class institutions’…that can countervail managerial as well as state power for workers’ interests. Labor rights in China are defective in that they contain no constitutive laws that enable workers to assert themselves as a collective power capable of effecting labor relations and effectively safeguarding their individual rights (60).

Chen’s cautionary note about structural advantages enjoyed by capital that do not necessarily change, even with the assertion of collective rights by workers, is one I will take up later. The theoretical point of reference for Chen is Marshall’s (1992) conceptualization of citizenship rights, whose component civil, social, and political categories all play a role in the historical development of ‘industrial’ citizenship (Chen 2007, 61). The collective rights of trade unions to organize and represent workers’ interests were critical made it possible for the working class to win industrial citizenship, in the form of political representation by parties that could advance welfare-state protections (Epsing-Andersen 1990, cited by Chen 2007, 62).

SOE workers and civil servants in Maoist China enjoyed many social rights and protections, in the best cases even beyond welfare-state protections found in most advanced capitalist societies. However, Chen notes that Chinese workers lacked any developed sense of their collective rights to self-organize. When faced with crises brought on by the privatization wave that began in the mid-to-late 1990’s, state workers found themselves in a quandary. SOE workers had constitutional rights accorded workers in privately invested enterprises to individually bargain over the conditions of their work. However, when faced with crises of mass unemployment that hit the SOE sector in the mid-to-late 1990’s, such individual bargaining rights provided state workers with little legally guaranteed collective means to fight the kinds of corruption and outright theft of state property by China’s new class of ‘gangster capitalists’ (Holstrom and Smith 2000). Likewise, due to low levels collective organization, the level of promised state forms of relief for SOE workers faced with crises of unemployment were either minimal or minimally implemented (Chen 2007: 64).

At the same time, Chen notes, there do exist collective rights encoded by Chinese labor law that give SOE workers rights that state or private sector workers in most advanced capitalist states would envy:

Workers’ lack of collective rights is a crucial factor that contributes to their powerlessness in the face of the force of the market. Collective rights are not totally absent from China’s labor legislation. Both the Labor Law and the Trade Union Law, for example, contain clauses on the
rights to organize although defined vaguely and abstractly. There are also administrative
decrees on collective bargaining. The government also stipulates that SOEs’ restructuring
scheme must be approved by Staff and Worker Congresses (SWCs). But all these rights are
circumscribed by various political and institutional factors that have made them either
unenforceable or hollow (65-66, italics added).

Chen (2006; 2007) and others (Philon 2007) have argued that the SWCs have been prominent in SOE
workers’ protests against fraudulent privatizations in China. However, such institutions remain weak, as
Chen contends, and lacking strong governmental support as a means to fight privatization associated
forms of primitive accumulation. Chen’s argument is twofold, then: 1) labor law provides little in the way
workers’ rights to fight perceived injustices associated with privatization and neo-liberal developmental
policies more generally and 2) the laws that already exist to collectively empower SOE workers are
minimally enforced by China’s Party-state.

What Rights? Whose Citizenship?

Both levels of argumentation are needed. However, is either level sufficient at cracking open
contradictions that exist throughout the literature on China’s state workers’ protest consciousness? For
example, it appears taken for granted that, with either a greater appreciation of liberal notions of legally
codified rights and self-interests or greater structural (i.e. legally encoded) guarantees and enforcement of
collective rights, China’s state workers would necessarily be able to advance their class interests in a
period of neo-liberal economic overhaul. However, the stress on citizenship rights, which is prevalent in so
much of the literature on China’s working class today, has come under criticism from theorists of
globalization and neo-liberalism (Chun 2006; Harvey 2006; Bartholomew 2006). These theorists argue
that the emphasis on diverse bundles of citizenship rights in a period of global neo-liberal restructuring
has resulted in an under-theorization of the balance of class power embedded in another fundamental
right that is married to citizenship rights, and which reigns supreme, namely the right of property.

The argument on the nature and value of rights for the working class is not a new one and has been of
concern since the origins of capitalism. Marx’s On the Jewish Question posed one of the most forceful
critiques of ‘rights’ under capitalism as long as the right to property remained supreme. The essay is
often misinterpreted as an outright denial of the value of bourgeois rights won by workers in the transition
from feudalism. Marx was in fact pointing out that a comprehensive analysis of the political-economic
dynamics of capitalism would indicate that rights won by workers remain insufficient for actualizing the
working class movement’s goal of emancipation from the specifically coercive wage-labor relation. Laws
cannot, given the structurally (i.e. juridically and militarily) enforced and sacrosanct character of private
property, alter the built in ruthless competition that devalues and punishes alternatives to private capital as
the basis for fiscal growth (Harvey 2006). The same law that giveth with one hand can and will taketh with
the other.

The problem at hand is not merely the imbalance of power between capital and labor, now generalized in
the global arena. What Marx called ‘bourgeois rights,’ or in the modern vernacular ‘citizenship rights,’ do
not address the compulsorily coercive dynamic of capitalist competition and its impact on fiscal choices of
either national or global bodies. This is the case despite the potential for universalizing labor law through
globally negotiated trade treaties that involve global institutions that represent and advocate for the rights of
workers (e.g. ILO, ICFTU) (Greenfield 1999). Under conditions of what have been murkyly classified as
“globalization,” in exchange for opening economies to global capitalist investment and markets, working
classes in ‘developing’ countries are told they will reap the benefits of legally codified rights that did not
exist under regimes that actively closed off markets with the aid of political authoritarianism. These rights are,
then, to be engaged by workers who no longer have to submit to corrupt political bosses who
monopolize both access to markets (including labor markets) and the means of physical violence.

However, as Habermas (1989) argued in The Structural Transformation of the Public Sphere, markets
progressively deracinate the power of the public in the transition to capitalism, and how so retain a
particular relevance to societies in transition from non-capitalist modes of production:

...(T)he ‘unifying’ system of mercantilism already established the beginnings of a privatization
of the process of social reproduction in the positive sense: the latter might gradually evolve
autonomously, that is, in accord with the laws intrinsic to the market. For in proportion to the
increasing prevalence of the capitalist mode of production, social relationships assumed the
form of exchange relationships. With the expansion and liberation of this sphere of the
market, commodity owners gained private autonomy; the positive meaning of ‘private’ emerged precisely in reference to the concept of free control over property that functioned in capitalist fashion (74).

Marx famously doubted the prospects for any particular group (be it class or status based) to be able to resolve the growing power of capital through appeals to the state to recognize equality in the arena of rights:

The limits of political emancipation are evident at once from the fact that the state can free itself from a restriction without man being really free from this restriction, that the state can be a free state [pun on word Freistaat, which also means republic] without man being a free man.

Harvey contends that the current enthusiasm about liberal citizenship rights, as the ameliorative mechanism to redress economic inequality and political injustices that global neo-liberalism spawns, under-theorizes the dynamic and systemic character of dominant social processes of capitalism:

The positive sense of justice as a right has…been a powerful provocateur in political movements: struggles against injustice have powerfully animated movements for social change. The problem, of course, is that there are innumerable concepts of social justice to which we may appeal. But analysis shows that certain dominant social processes throw up and rest upon certain conceptions of justice and rights. To challenge those particular rights is to challenge the social process in which they inhere. Conversely, it proves impossible to weaken society away from some dominant social processes (such as that of capital accumulation through market exchange) to another (such as political democracy and collective action) without simultaneously shifting allegiance from one dominant conception of rights and of justice to another. The difficulty with all idealist specifications of rights and of justice is that they hide this connection (Harvey 2006, 54-55).

It is exactly the nature of emancipation SOE workers can derive, from primarily focusing on and struggling for legally bound citizenship rights given the structurally shaped dominant processes of China’s political economy of transition in the current period, which I critically interrogate in the case of Chinese SOE workers’ struggles against the terms of privatization imposed on them by a variety of interested collective actors from the local to international levels. I would argue that, when tested, the ‘citizenship rights’ frame only partially address the source of the new social relations of neoliberal coercion and dispossession that SOE workers face in the present period of Chinese transition from state socialism.

**A Case Study: The Zhengzhou Paper Factory Struggle**

The battle between public and private definitively shapes conflicts in response to privatization of China’s SOEs. In a nutshell, the process has been wrought with fraud and corruption as Party cadres (within and outside enterprises) and (domestic and transnational) private capital align to convert public assets into privately owned ones regulated by national and global markets of capital (He 2000; ).

In the late 1990’s and early 2000’s, workers at the Zhengzhou Paper Factory fought for the right to take back their state owned factory from corrupt phantom ‘private’ investors, SOE administrators and government ministry cadres. Upon winning back property rights to their factory, workers’ leaders’ hoped to find a means for workers to control production at the factory ‘democratically.’ This would be no small challenge since much of the factory infrastructure was dilapidated due to managerial neglect as factory administrators sought to run down the enterprise Zhengzhou Paper’s appraisal during the 1990’s.

The pain experienced by workers at Zhengzhou Paper was not unique. Nationwide the Party was carrying out a wave of privatization oriented initiatives in the sector of small and medium size SOEs. In Zhengzhou city alone, easily 40 companies encountered a very familiar situation; company administrators faced pressure from municipal and provincial directives to find ‘outside’ (i.e. private) investors to help resolve growing debt in small and medium sized SOEs. This combined with state owned banks’ refusal to lend to SOEs that were regarded as ‘not profitable.’ After a period of mass layoffs and near-total production stoppage for several years, factory administrators would then introduce a nominally ‘private’ company that offered to reinvest in both jobs and the original social and job security that SOE status promised Chinese SOE workers—in exchange for a stock conversion plan. Typically the enterprise level Workers Representative Congress (WRC) was the institution that administrators turned to for approval, since by law no stock conversions could occur in an SOE without the WRC’s review and signature. After a year or
two, workers grew increasingly frustrated and bitter as it became apparent the ‘private company’ was slapped together by factory administrators and Party cadres who had no interest in production and wished only to replace productive investment with speculation in real estate markets. At most, workers could hope for a minimal ‘severance’ payment, in exchange for freeing up the SOE and its ‘investors’ from remaining social obligations that regulated every level of SOE social activity under the Maoist and early Dengist periods of state-socialism.

In May 2000, the at Zhengzhou Paper resorted to a means of protest that went well beyond smaller scale petitioning campaigns by SOE workers faced with privatization associated pilfering of public assets. The Zhengzhou WRC and workers decided to occupy en masse their factory, putting forth the demand that workers not only receive economic compensation in lost wages and pensions, but that factory property rights be returned to Zhengzhou Paper workers to democratically manage themselves. Their occupation lasted almost 3 months, when police violently removed the workers occupying the factory and the leader (Li Jiaqin) of the Zhengzhou Paper WRC was placed under arrest. For a period, it seemed that there was little hope given the balance of power as shaped by the realities of both neo-liberal policy orientations of the CCP and the irresistible temptation that corruption offered to Party-connected small and medium sized SOE factory administrators, cadres, and ‘private’ investors.

The Zhengzhou Paper Factory Struggle and the Problemitization of Rights

Still, the occupation strategy achieved its intended outcome of winning back property rights to the factory land. The Zhengzhou City Government demanded that a new election of the WRC take place and the original leader (in jail) was reelected, thereby forcing the City Government and the phantom investors in Zhengzhou Paper to recognize their legitimacy and the determination of the workers. Within China, the Zhengzhou Paper case attracted some interest among intellectuals, academics mobilized for site visits from late 2000 onwards. Additionally, the case attracted national and even minor amounts of international media attention (Zhengzhou Gongren Rebao [Zhengzhou Workers’ Daily] 2000) Guangzhou Southern Daily; Monthly Review 2003; Weil 2006). In August, 2005, an international forum was held on workplace governance in Chinese enterprises at Beijing University, which saw the participation of numerous academics and activists who were familiar with and discussed the Zhengzhou Paper struggle’s sociological significance (Tong 2005; Chen 2006; Zhu 2005).

If one could refer to a ‘discourse’ that emerged in these years at the academic and media levels, it could be labeled as ‘rights’ framed throughout. That is to say, the struggle at the Zhengzhou Paper Factory was understood by intellectuals and media reporters much the same way that problems of Chinese SOE workers have been conceptualized in the social science literature discussed earlier. For example, Tong Xin (2005), at an international conference at Peking University on workplace governance in China, focused on competing ‘planned economy’ and ‘market based’ discourses that emerged among the Zhengzhou Paper WRC factions. Tong’s article is reminiscent of Andrew Walder’s (1986) earlier work on the traditional concepts of work unit as family that rendered China’s state sector workers virtual dependents of the Party-state. Tong makes a convincing argument, based on extensive interviews with WRC members and rank and file at Zhengzhou Paper, that, workers engaged a traditional and nostalgic socialist planned economy type of rhetoric to justify their demands and occupation of the factory, Zhengzhou:

As the workers explained it, the government has to solve the problem of the common person’s hunger. (Thus as they marched to government ministries)... they steadfastly expected the government would listen to their concerns. The government, they believed, could and should protect worker’s interests. In their eyes, opposition to the merger was never equated with opposition to the government. Their taking collective actions in a gradual fashion was not to confront the government as much as to ‘remind’ it of its role... For them, the government became the only organization on whom they could rely (6).

At the same time, as the struggle proceeded there was a competing discourse employed by Zhengzhou Paper workers that Tong identifies as ‘market based,’ and which presented itself even in the most hardcore of those ‘nostalgic’ for a time when the planned economy guided every form of social organization in China:

The Zhengzhou Paper workers collective actions at a certain level altered the trend of government primarily deciding the path that SOE privatization reforms would take. The traditional socialist slogan “Workers are the masters of the factory” became a cultural resource to effectively mobilize workers’ collective actions. However, the content embedded in this sentiment contains the seeds of a new emergent idea, namely a rich expression of workers’ belief in the concept of ‘legal rights’. This veers
toward the logic of the emergent market economy (9).

That is to say, the workers at Zhengzhou Paper WRC did win back the right to the factory, but it was no longer a state owned factory. The government essentially absolved itself of its claim to the property and obligations to the workers upon returning the property rights back to the WRC. Tong concludes that this is perhaps an important and ironically positive development for a battle that at appears, in the end, to be a failure:

If privatization incorporates the concept of workers’ interests, then the consciousness of rights and competition law can also be used by workers; otherwise workers will continue to cling to nostalgic wishes for a return to the planned economy at a time when the SOE is no longer able to offer guaranteed subsistence…However, the (socialistic) demands made by workers are in fact consistent with the logic of market economies. They wish to declare their property rights in the SOE. Behind this demand, the Zhengzhou Paper workers’ collective actions might be the beginnings of a new social movement (10).

In another article on the Zhengzhou Paper Factory 'Msreading' of the law and 'imagined home' in Z factory', Zhu (2005) stresses the impact local government cadres ‘‘collectively misinterpreted' norms set forth by national law’ (ibid., 3). Zhu highlights the local interpretation of laws on the powers enjoyed by the WRCs in the SOEs, especially when faced with privatization (ibid., 13). Thus, whether or not WRCs are vested with more or less power to reject privatization proposals is shaped by the politico-cultural context; i.e. are enterprises located in a region that is influenced heavily by past cooperative mores that characterized the Maoist period of state socialism.

Zhu argues that even where government officials in Zhengzhou could be shown to be haunted by ghosts of the socialist past. They only recognized the demand of workers to have a democratic election to vote on a WRC that would push to withdraw from the ‘merger’ with a phantom ‘private’ company after the Zhengzhou Paper workers organized an occupation of their factory for 3 months time (ibid., 15). And it was this context, informed by a group of Maoist Cultural Revolutionaries who fed the belief of the workers that their ‘right’ to a democratic election was reinforced by the socialist tradition of portraying and (putatively) treating China’s SOE workers as the “Masters of the House.” Furthermore, this locally specific politico-cultural context also contributed to the city government finally giving in to the demand to dissolve the ‘merger’ with the phantom ‘private capitalists’ who attempted a corrupt takeover of Zhengzhou Paper. Thus, local interpretation of the law served to bolster the capacity of the Zhengzhou Paper WRC to effectuate their demands and rights guaranteed by national law (ibid., 19).

Though nuanced, Zhu’s argument is problematic at a number of levels. For starters, it is inaccurate to argue that local context contributed greatly to Zhengzhou Paper workers’ defense of their factory. It certainly did not help them achieve their ultimate goal of reestablishing the factory as a democratic worker-controlled collective. Indeed, if this were such an important ‘factor,’ we would see other cases in Zhengzhou that saw their struggles result in the return of property rights to WRCs. Only in a few instances did that occur and with the same result, i.e. workers gained little from winning back the property rights.

Whether local or national, laws, traditional or liberal, did not provide Zhengzhou Paper workers with what they needed—even when they accomplished legal recognition of their right to factory land and assets. Indeed, what is remarkable really is that this group of workers did retain property rights and still could not move forward with their ultimate goal.

**The Failure of Right in the Zhengzhou Paper Case**

An overarching theme in the literature on struggles over privatization in China’s SOEs, whether addressed to China in general or the Zhengzhou Paper case, is the desirability of stronger construction and enforcement of rights for workers. However, rarely is the argument over rights considered as an ideologically problematic one in the sense that it might not begin to address core features of China’s and the world political economy that constrain what workers can do even with the thickest bundles of citizenship based rights. This is especially apparent when one looks at a media organ in China that is considered to be one of the most pro-market and sympathetic with western notions of rights, namely the Guangdong News. The characteristically daring newspaper gave the Zhengzhou Paper struggle front page coverage in 2004, highlighting the dilemma that the WRC faced when their ideal of taking back control of the factory land was no longer realistic. The article’s author is sympathetic with the idea that the Zhengzhou Paper workers fought an injustice and challenged privatization related corruption.
However, the article notes that no sooner did the WRC win their battle than it begin to see internecine battles between factions emerge. In a nutshell they fell victim to the pressure of market realities; the government refused to release the WRC of the burden of the debt that had been accumulated by the factory for the previous decade. Habermas’ earlier discussed problematization of the concept ‘public’ and ‘private’ is thrown into relief with this quandary that faced the Zhengzhou Paper WRC. In this instance, ‘public’ debt is transformed into ‘private’ debt, which accompanies the ‘private property rights’ that the struggle against the merger partner ‘won’!

Zhu’s sentiment that locally specific interpretations of the law enabled the Zhengzhou Paper workers to advance their cause is shared by the Guangdong Daily journalist. Likewise, Tong’s optimistic view of the role of market based legal rights in the Zhengzhou Paper struggle is also affirmed in the article. The role of the WRC and the Zhengzhou Paper union in legally representing and pursuing their legal rights is documented and praised throughout. And it is noted that the courts recognized the legal right of the WRC to absolve the original merger agreement and take back factory property rights.

However, a shift in sentiment occurs when the author addresses himself to the decision by the WRC to then reestablish an enterprise that is collectively owned and invested in by the workers. Here conflicts emerged among WRC members over how to define shares and what the definition of ‘collective’ was. The end result was factionalism that made it impossible to move forward with the plan to restore production that would be controlled by the factory workers.

The cause of this factionalist conflict within the Zhengzhou Paper WRC was transparent; the government’s refusal to free the WRC of debt that the workers played no role in creating in the first place. Before the debt was removed, any profits made from production (or even selling the land!), would have to be used to repay that debt. And to this problem, the limitations that come as part of the ‘citizenship rights’ package are revealed in the conclusion reached by the author of this article:

“(The worker selected enterprise chief who took over after the merger was dissolved) noted that Zhengzhou Paper workers greatest concern was making their health and social security pension contributions. I think that, after doing the calculations, by mortgaging off a part of our property, we could provide them with the needed contributions. However the bank would want to take that money and use it to recover lost debts from the factory, so that option’s out…Looking back on it, “Our ideals and reality were far apart”.

The author strikes at the heart of the matter with this ending, namely that even with well developed legally protected citizenship rights, one right reigned supreme in the Zhengzhou Paper struggle’s end, namely property. And the lens through which the struggle is interpreted by this major liberal Chinese media organ essentially infers that the Zhengzhou Paper workers should have cut a deal and resigned themselves to the original plan of the merger partners. Presumably the Zhengzhou Paper WRC could have instead chosen to go along with the merger partners’ wish to sell off the factory land in order to provide some minimum level of compensation to workers in exchange for ending their labor relationship with the SOE. Rights do bolster Chinese workers’ capacity to protest privatization; this is unquestionable. At the end of the day, however, the rhetoric of market liberalism and citizenship rights actually constrained the Zhengzhou Paper workers’ wish to go beyond the logic of national and global capitalist market led competition.

**Conclusion: When Rights aren’t Enough for China’s SOE Workers**

At the start of this essay we noted David Harvey’s (2006) admonitions that rights based frames have been used to cover imperial campaigns and the extension of capital's power across the globe. Mainstream sociology that addresses Chinese state workers’ resistance today seems to eschew issues of political economy, reminiscent of Max Weber’s endeavor to stress the practical over the systemic solutions, needed as a ‘realist’ approach in the face of corporate capitalism’s tenacity. Thus the appeal of calling for more ‘rights’ for Chinese workers without looking at the systemically built-in limits of that concept if we take seriously the aspirations of workers in cases such as the Zhengzhou Paper Factory. To reiterate a point made earlier, the point is not to deny the partial utility of rights in battles against Privatization in China. However, a more rigorous theorization of the concept has to be developed that takes into consideration how rights oriented discourses are deployed to rationalize the disempowerment of China’s state workers and thereby the social basis of ownership that can deliver, potentially, a fuller enactment of workers’ collective control over their livelihoods. Until then, it is quite possible that we limit our usefulness to Chinese state workers when conceptualizing the significance of their struggles in what is quite arguably
one of the centers of resistance to the way global capital is imposing its will on workers via the instrument of privatization.

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