

THE ACCIDENTAL SPOKESMAN FOR CHINA'S WORKERS

BY HU PING

While outside observers evaluate China's development into an economic power, an ordinary worker trenchantly analyses China's rise on the backs of its beleaguered workforce. He further argues that the cheap labor that fuels China's competitiveness is as limited as its similarly over-exploited natural resources.

Chen Hong, a laid-off worker in Changsha, the capital of Hunan Province, started a blog that has become an unexpected sensation on the Chinese Internet. He has received as many as 1.2 million hits and 30,000 comments on the 60 articles he has posted to the site (<http://chencs.blog.hexun.com>) since creating it on July 28, 2006.

After graduating from high school in 1974, Chen Hong, now 48, was sent to the countryside for re-education. He returned to the city in 1978 and held various jobs and positions: He worked in accounting and sales, and became the head and then Party secretary of a workshop before being laid off in 1996.

With a monthly severance pay of only 230 yuan (\$30), Chen tried various ways to make a living. He worked as an itinerant laborer, printed business cards, operated a teahouse, took snapshots of tourists. Hoping for a better life and more stable livelihood, he hit on the idea of opening a supermarket, for which he had to take out usurious loans. In the end he was forced to close the store because he couldn't afford all the taxes and fees levied by various government departments, including the police, municipal and health offices, the tax bureau and even the street committee.

Chen then pooled funds from friends and relatives to buy a motorcycle he could operate as a taxi. But he couldn't ply his trade on the main streets of the city because of a ban on unlicensed motorcycle taxis, so he had to work from 5 p.m. to midnight to avoid fines and other penalties, earning only 30 yuan (less than \$4) a day. Along with other motorcycle taxi drivers in the same position, Chen petitioned the city government, asking for the ban to be lifted, but the request was

turned down. The drivers went on to file a lawsuit in a local court, but that too was rejected.

To make matters worse, Chen's wife left him because of their miserable living conditions, leaving their son behind. Chen struggled on, shouldering alone the extra burden of supporting his son, who was attending university.

As early as the 1990s, Chen began surfing the Web and posting the occasional article on the Internet. After he set up his own site in 2005, it was hacked into twice by unknown attackers. The following year, he created the blog for which he has become famous, posting his earlier articles there as well as new ones. His blog became a surprise hit on the Chinese Internet and attracted heavy traffic. In October 2006, the *China Youth Daily* magazine Freezing Point (*Bing Dian*) ran a lengthy interview with Chen. Later, he was invited to take part in online discussions on a popular bulletin board hosted by *People's Daily* called Strong Country Forum (*Qiangguo luntan*).

Reform as plunder

Chen Hong points out in his articles that since their launch, China's economic reforms have degenerated into what he describes as "pseudo-reforms," which he strongly condemns. "For us, the reforms have meant being laid-off and unemployed. The wealth we created and the benefits we enjoyed in the past are being looted. The rich and the powerful are grabbing public property and dividing it up among themselves, while the situation for workers is growing worse all the time. So why would we welcome such pseudo-reforms?"

It is said that communism has proved unworkable, that a centrally planned economy is a mistake, and that reforms are urgently needed. But someone has to pay a price for these reforms, and some mainstream economists have even declared: "To achieve the goals of the reforms, a generation must be sacrificed—specifically, tens of millions of older workers."

Chen Hong swiftly demolishes this argument: "We did not create the planned economy; communism was not our invention." He goes on to address the authorities: "You who control our lives and fate, why don't you take responsibility for the mistakes you made in the past and the errors you are still committing?" The Communist Party brought communism and the planned economy to China and should be held responsible for the consequences. If anyone is to be asked to pay a price, it

should be the Communist Party. If anyone is to be fired, it should be Party members. Why should ordinary people be asked to make the sacrifices?

As it now stands, the director and the Party secretary of an enterprise can fire workers at will. Economists in the West take it for granted that overstaffing makes state enterprises inefficient, and “downsizing” to improve efficiency is standard practice. But Chen Hong offers an insight into the situation in China; the directors of state enterprises act as representatives of the enterprises and are far from being capitalists, “So why should they be able to exercise the power of the capitalist?” he asks. Employers, of course, have the right to dismiss employees, but in China the relationship between the director of an enterprise and its workers is not directly parallel to the employer-employee relationship in the West. As Chen puts it to a hypothetical director: “Since the enterprise is not yours, why do you have the right to fire me?”

Chen describes in his articles the miserable plight of China’s laid-off workers. Many readers have expressed sympathy, though some have taken issue with him. For example, graduate student Guo Feng wrote: “I disagree with you. The state and the government are under no obligation to take care of this generation for the rest of their lives.” To which Chen responded: “We’re not asking the state and government to take care of us free of charge. But take the enterprise I worked for as an example, a handicraft workshop employing only a few dozen people when it was first set up. Through years of hard work by several generations of workers, it became bigger and stronger and wealthier, until it was a medium-sized enterprise with fixed assets worth tens of millions of yuan. In the era of the planned economy, all the profits created by the workers went to the state, with the workers earning a low, survival wage. But today, amid rapid economic growth, we workers all of a sudden have become useless, redundant people, while the elite live in idle luxury. All the wealth we created yesterday has today suddenly become the personal property of others. Do you think that’s fair?”

Amid rapid economic growth, we workers all of a sudden have become useless, redundant people, while the elite live in idle luxury

The way Chen sees it, the government asked for obedience and hard work from the workers when they were young and strong; the workers were paid very little but the government promised to provide them with health care when they were sick and a pension when they grew old. But later the government booted the workers out when they became old and weak, and allowed the wealth that they had created to fall into the hands of corrupt officials. It is an accepted fact that the system in the Mao era entailed low wages but high rates of accumulation for future development. Workers received miserably low salaries but were guaranteed lifetime job security. It was as if these low-paid workers were also receiving the benefits of an

expensive insurance policy taken out on their behalf. Now, in the name of the reforms, the Communist Party has not only ruthlessly kicked the workers out, but has also stripped them of those insurance policies, which were worth a great deal of money.

Westerners often confuse China’s state enterprises with government-owned companies in the West, and thus also confuse privatization in China with denationalizations in the West. But in fact they are quite different. When the government owns a company in the West, it sends somebody in to manage it, and the workers are employees of the government. In China, however, state enterprises are owned by all the people, and workers are the masters of the enterprise.

A similar situation exists in the countryside, where village land is owned collectively by all the residents of a village. When the people’s communes were disbanded, the land was divided more or less equally among all the villagers. In the same way, when state enterprises are dissolved in China, the assets should be distributed to all employees or even to all citizens of the nation, as occurred in Eastern Europe.

But the reform of state enterprises in China went in a different direction: Officials took the property ostensibly owned by the people and turned it into their own private property. Chen Hong uses an analogy to sum up the situation: It is as if the butler has grabbed the wealth of his master and driven the master off his own property. And why has this extreme injustice been allowed to occur? Chen believes it is because the Chinese people have been deprived of the right to express their opinions and to participate in policy making.

Insight and common sense

China’s rapid economic growth of the past 20 years has been touted as a miracle and a free-market success story. Many people have seen the widening gap between rich and poor as the natural consequence of a market economy, and China’s low-wage economy as being driven by the law of supply and demand in the workforce.

But Chen Hong sees it differently: “In China, labor is being treated as a kind of natural resource, and workers have no right to collective bargaining, let alone to social assistance (such as welfare and unemployment insurance) that has become standard in developed countries. As isolated individuals unprotected by collective organizations, Chinese workers are vulnerable, particularly on the wage issue. Pay can easily be lowered and or even withheld.”

Chen adds: “This is political, and not simply a feature of the market. Amid China’s rapid economic growth, workers at the bottom of society have lost out disastrously. The low wages in China are not the result of international competition or some natural property, but rather of the uneven distribution of wealth among the citizens of this country. While cheap labor can increase trade competitiveness and burnish the country’s image as a rising global power, the potential for growth is limited and this comparative advantage is vulnerable in the long term.” Chen Hong concludes: “Perhaps it is only through such brutal methods that China has been able to achieve its economic miracle.”



One in a million: a worker scans his options at a recruitment fair in Beijing. Photo: Associated Press

Chen Hong's views call to mind those expounded by Qin Hui, the Tsinghua University history professor who has argued that the so-called Chinese miracle or Chinese model is characterized not only by the traditional advantages of low wages and benefits, but also by a more important feature: a low level of human rights. This can be seen in the suppression of democracy and public participation, and contempt for new ideas, personal beliefs and social justice. By taking advantage of the low level of human rights, trade costs are reduced by lowering the cost of four fundamental economic factors—labor, land, capital and natural resources. The cost of trade is also lowered by means of the authorities' power to restrict collective bargaining rights or even deprive workers of those rights altogether. All the while, citizens are encouraged to seek wealth and material gain, thus promoting the high growth rates in China that are surpassing those of the free-market economies, the welfare states and the countries making the transition from socialism to democracy.

With only a high-school education obtained during the Cultural Revolution, Chen Hong nonetheless possesses keen insight into the Chinese miracle or Chinese model that has been known to puzzle even Nobel laureates in economics. But this should come as no surprise, says Xu Youyu, a senior researcher at the Chinese Academy of Social Sciences' Institute of Philosophy. In an interview in October of last year, *SouthernWeekend* (*Nanfang zhoumo*) quoted Xu as saying, "Actually,

the issues facing China are crystal clear: You don't need to call on Western economic theory to work out what's happening in China, and to do so is a bit like using a microscope to watch a street brawl; that's ridiculous, when people are clearly being robbed in broad daylight. All anyone needs in order to understand the problems is some basic common sense and sense of morality." And, Professor Xu adds, "Don't look on Chen Hong as being a prophet among the workers. He just understands what virtually every worker in China knows to be true."¹

Needless to say, Chen Hong's articles have also earned him enemies, with one reader posting this hostile comment: "Your blog will be blocked again, and destroyed. And your head will be on the block, literally, if you keep on in this misguided direction. Don't assume this is an idle threat!"

Chen realized immediately that the person behind this belligerent remark was not just an ordinary citizen, and he responded: "Are you aware that you are making trouble for the Party and the government? If my blog is blocked, people will realize immediately that the government is trying to close a channel of free expression, and if I am killed, people will say the government is trying to silence a witness. Don't you think you're making matters much worse?"

Chen was forthright in stating his views: "Government officials serve the people and should be subject to public scrutiny; I therefore have every right to comment on them. Such com-

mentary is not an act of rebellion, nor do I seek to make trouble for the government. It's no fault of mine if the tall edifice of the government topples simply because of articles I write reflecting on the way I feel about my life. If the government is so weak and fragile, how can it lead us on the road to riches and prosperity anyway? If the government is so vulnerable, does it have any reason to exist?"

Wake up or die!

Chen Hong's harsh criticism of the reforms does not mean he favors returning to the past or remaining stuck in the Mao era. As he has pointed out, workers toiled hard under Mao, earning just enough to make ends meet, while farmers led an even more miserable existence. Chen has also not been dazzled by the slogan that held sway at that time, "The working class exercises leadership in everything." Observing that the slogan sounded beautiful but was essentially false, Chen asks, "Apart from exercising leadership over the machines we operated every day, what else did we 'lead'?"

As Chen has noted, Chinese workers were enthusiastic about the reforms of the 1980s and held out great hope for them. He writes, "It made sense that as beneficiaries of the reforms, the poor should support them. The reforms promised to better the lot of the poor, both economically and politically." But the problem, he argues, is that workers in China have no right to free expression: "The elite, including government officials and party and government think tanks, have dominated the reform process through their control of policy making, and have become the reforms' biggest winners and beneficiaries. On the other hand, without the right to take part in policy making or monitor the policy makers, ordinary people have suffered enormously, and it's little wonder that they now oppose the reforms." Chen quotes a fellow cyber citizen to make his point: "After enduring a long period of suffering, we face a choice: Wake up or die!"

On the political situation in China, Chen Hong is more hesitant to fully express himself. He admits there is a line he won't cross in his writing. "I want to see the implementation of central government policies that promote the well-being of ordinary people. I want to see government officials improving their style of governing, laid-off workers finding a way to support their families, and all citizens sharing in public resources such as education, health care, roads and so on. This is why I write my articles, and why I want people to read them."

Chen still appears to have confidence in the central government, which contrasts with his sharply critical writing about the reforms. The reason is simply that while he is able to complain—cautiously—in articles he posts on the Internet, "we are not allowed to organize meetings, protest in the street or petition higher authorities. With no channel of communication, no effective means of protest, all we can do is hope for mercy from the Communist Party."

These observations can answer many of the questions that have puzzled many observers in the West. For some Westerners, the plight of the poor in China could be improved through a "trickle-down effect" as the country enjoys economic success and the government grows stronger. Moreover, amid the growing gap between rich and poor, the Hu Jintao administration has introduced policies and measures to help marginalized groups.

What Westerners fail to grasp is that the Chinese government dreads the prospect of the people launching a movement to protect their rights. Were that to occur, the authorities could be expected to react quickly to brutally suppress it. In most cases, however, people in China do not ask for that much, and do not challenge the legitimacy of the government.

The Chinese government dreads the prospect of the people launching a movement to protect their rights

Risking harsh reprisals, people like Chen Hong don't dare to make bigger demands of the authorities. They are forced to lower their sights because they are denied basic human rights, including the right to engage in mass protest. If Chinese people had the right to collective resistance, they would be able to expose the crimes committed by the authorities and punish officials who have become corrupt in the course of the reforms.

The fundamental problem with China's reforms is a lack of legitimacy. Despite a number of problems, the privatizations in Eastern Europe were carried out with democratic supervision and popular participation. As a result, the public generally supported the reforms and accepted their consequences.

This is not the case in China, where the public has not accepted the consequences of reform because it has been undertaken without democratic participation or public scrutiny. The reforms in China have seen the blatant plundering of public property under the protective watch of an autocratic power. The deeper the economic reforms, the more reluctant the authorities have been to undertake reforms in the political sphere. Economic reforms maintained by the iron fist of an authoritarian regime will never lead to political freedom and democracy, but merely create a stronger autocracy.

Translated by a friend of HRIC

NOTES

1. See Liu Tianshi, "Xu Youyu guanzhu pingdeng yu gongzheng, (Xu Youyu is concerned about equality and justice)," *Southern People Weekly* (Renwu Zoukan), October 19, 2005, <http://www.nanfangdaily.com.cn/rwzk/20051019/gg/200510300039.asp>.