Chapter 3

PARTICIPATORY PATERNALISM

China's work unit system, created by the socialist transformation of the 1950s, was further shaped, as we shall see, by the massive industrial expansion and subsequent collapse that accompanied and followed the Great Leap Forward. The system that emerged in the early 1960s became the foundation of the country's urban order and its essential features remained in place through the tumultuous years of the Mao era and into the early years of the post-Mao era. Actual practices, of course, changed over time and varied between sectors and factories. While these variations will be noted at some points, the purpose of this chapter is to present an overall picture of the system as it functioned on the eve of the Cultural Revolution in 1966.

The work unit system featured a strong version of industrial citizenship that I call *participatory paternalism*. The system combined robust citizenship rights with little autonomy. It was based on public ownership, permanent job tenure, and relatively egalitarian distribution, qualities that helped the CCP cultivate among workers a collectivist ethic. In some ways, the participatory paternalism of the work unit system differed from the conventional understanding of paternalism, in which the autonomy of subordinates is restricted by concentrating both power and responsibility at the top. In the work unit system, while power was largely concentrated at the top, workers were asked to assume a remarkable degree of responsibility for factory affairs. Under the rubric of Democratic Management, the party fostered a high level of participation, encouraging workers to take responsibility for managing production on the shop floor, enlisting them to help party leaders to control malfeasance by local cadres, and encouraging them to provide input from below. Factories were democratic, however, only in a very limited sense. There was little room for workers to express contrary opinions or act collectively in an independent fashion. The system demanded conformity. Workers were encouraged to actively participate in management, but only under the leadership of the party.

Work units as the main site of governance

Work units became the most important site of urban governance for the new regime. Virtually the entire urban population was brought into the work unit system, which in addition to factories and other economic enterprises, included government agencies, schools, hospitals, and all other urban workplaces. The system encompassed not only state-run firms, but also urban collective enterprises, which despite their formal designation, did not belong to their members, but rather were subordinated to state entities, usually municipal districts or state enterprises. All work units

were essentially public property and were managed by party cadres.[1] Factories and other industrial work units served not only as centers of production, but also as the main vehicles for the distribution of welfare and social services, and as institutions of social control and political participation.

Work units provided members with far more than wages. As was common in many countries during the era of industrial citizenship, the workplace became the main point for allocating social insurance, including pensions, disability benefits, and access to health care. In addition, large Chinese factories supplied housing, cafeterias, and cultural and recreational facilities, such as theaters, sports fields, and libraries. They also provided childcare centers and often managed primary and secondary schools and even technical colleges for employees' children, as well as night schools for employees. Factory health clinics provided basic medical care and sent members to municipal or county hospitals for more complicated problems, with the work unit picking up the tab. When workers retired they continued to live in their factory-provided apartment and continued to receive pensions and health care through the enterprise, as well as participate in organizations and activities for retirees. Work units also distributed the ration coupons required for urban residents to buy many basic commodities including food, and larger units managed commissary-like stores. Large industrial enterprises typically combined production facilities, offices, apartment blocks, and education, health, and recreational facilities within one large compound, surrounded by a wall.

The social management and control functions of the work unit were as important as its production and welfare functions. Work units maintained the personal dossiers of their members. These critical files, created for children by school authorities, followed individuals to their first job assignment and any other subsequent assignments, tracking—and helping determine—their life trajectories.[2] Factory and workshop party secretaries were powerful figures responsible not only for the factory affairs, but also for the larger work unit community, which included mediating conflicts among neighbors and within families and resolving problems faced by unit members. Even marriage proposals required approval by the party secretary. The CCP's ambitious—and highly successful—efforts to reduce crime, delinquency, prostitution, opium addiction, and illiteracy, as well as tuberculosis, venereal disease, and other communicable illnesses, all depended on the work unit system, which turned workplaces into sites for popular education, public health campaigns, and social monitoring.[3] As the system matured, people referred to the world within the walls surrounding industrial units as "small societies" (*xiao shehui* 小社会).

Because work units were the main sites of governance, they also became the main sites for popular participation in governance. In his perceptive description of the work unit system, Lu

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[1] For analyses of the development and operation the work unit system, see Bian (1994), Bian (2005), Bray (2005), Frazier (2002), Henderson and Cohen (1984), Li and Wang (1996), Lu (1989), Lu (1993), Lu and Perry (1997), Richman (1969), Walder (1986), and Whyte and Parish (1984).

[2] On the work unit's role in the dossier system, see Bray (2005, pp. 115-116).

[3] The role of work units in reducing illiteracy will be treated briefly in this chapter; for an account of how work units were employed in public health campaigns see Core (2014).

Feng wrote that the workplace served not only as the "means of direct state and party control over society," but also as "the principal place in which the workers took part in the political process."[4] Before examining how work units were governed, I will first review two key characteristics—permanent job tenure and egalitarian norms of distribution—that shaped citizenship and political participation in factories.

Permanent employment

From the moment it took power, the Communist regime committed itself to providing full employment, a principle articulated as one of the basic rights of citizens when the first Constitution of the PRC was adopted in 1954:

> Citizens of the People's Republic of China have the right to work. To ensure that citizens can enjoy this right, the state, by planned development of the national economy, gradually provides more employment, improves working conditions and increases wages, amenities and benefits.[5]

Unemployment and precarious employment were seen as maladies of capitalism to be overcome; eventually all citizens were to become state employees or members of rural or urban collectives. Although the regime was never able to completely fulfill this promise, it did so to a remarkable extent. As recounted in the previous chapter, during the CCP's first decade in power, these policies—implemented unevenly but bolstered by rapid industrial growth—made employment tenure, which in most industries had been highly precarious, far more stable.

This stability, however, was dramatically interrupted at the end of the decade. Starting in 1958, Communist officials, inspired by the utopian visions of the Great Leap Forward, endeavored to actually put the entire population to work by suddenly and massively stepping up construction and production and shifting domestic work into the public sphere. In cities, employment rolls were greatly increased, filling jobs created in expanded factories, newly-established handicraft cooperatives, community dining halls, childcare facilities, schools, and health care centers. Many of the new recruits were urban women who had not worked outside the home before, but most were from the countryside. Between 1957 and 1960, urban employment nearly doubled from about 30 million to nearly 60 million. This rapid expansion, however, proved unsustainable and during the subsequent economic collapse urban employment declined by over 16 million.[6] Some 13 million recently recruited workers were sent back to their native villages, some to conditions of famine.[7]

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[4] Lu (1993, p. 63).
[5] National People's Congress (1954).
[6] Chinese Statistics Bureau (1987a, p. 13).
[7] Feng (2018, Chapter 5, p. 22); Wemheuer (2014, pp. 115-153).

After the collapse of the Great Leap Forward, the state was much more circumspect about expanding the ranks of fixed workers (*guding gongren* 固定工人), that is regular workers in state enterprises. As industrial production recovered, enterprises were encouraged to hire new workers on a temporary basis and between 1962 and 1966 the proportion of workers in the state sector who did not have permanent status grew from 8% to 13%.[8] A series of new regulations institutionalized various forms of contract labor, all of which lacked the job security as well as the full range of welfare benefits and rights to participate in enterprise affairs enjoyed by regular workers.[9]

Ironically, the tumultuous events of the Great Leap Forward ended up solidifying lifetime tenure for regular workers in state enterprises. The borders between enterprises, between localities, and between workers with fixed and temporary status became more clearly defined and movement across these borders was further restricted. Because work unit membership provided secure employment and a range of other valuable entitlements, defining and managing these borders became a critical concern. The household registration (*hukou* ⊠口) system, which was strictly enforced following the collapse of the Great Leap, controlled geographic movement and created a fundamental distinction between urban and rural residents. The state assumed responsibility for providing employment and welfare for those with urban registrations, while rural residents depended largely on resources generated by their own village production brigades.

Once the work unit system was fully established and the unified labor recruitment and allocation (*tongzhao tongpei* ⊠招⊠配) system was in place, there was no longer any labor market. Individuals were assigned to a work unit after finishing school and usually remained in the same unit their entire lives. Transfers between work units were uncommon, as they required the assent of the employee and both units. It was difficult, therefore, for an individual to seek work elsewhere and by the same token it was difficult for an enterprise to fire an employee. Even individuals who spent time in jail for criminal offenses often returned to their original unit after their release. Many children were able to get jobs in the factories where their parents worked, either through attending technical schools run by the enterprise or through other mechanisms. State-run enterprises often provided jobs for children when a parent retired, was disabled, or died, and many set up collective enterprises to employ the spouses and children of unit employees.

Under these conditions, each work unit became a well-defined community with a tightknit membership. Urban society was reorganized so that it resembled in many ways the cellular structure of rural society during the collective era.[10] As community was enhanced, mobility was restricted, and the walls that surrounded work units both sheltered members and excluded outsiders.

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[8] Chinese Statistics Bureau (1987a, p. 33).
[9] Feng (2018, Chapter 5, pp. 11-21).
[10] Shue (1988).

Egalitarian norms

While the CCP was committed by formal doctrine and longstanding party norms to the principle of egalitarian distribution, in practice disparities between rural and urban residents and among regions and cities were substantial. There were also considerable differences among work units in the same city in terms of the resources and services they were able to provide. There was an industrial hierarchy, ranging from large enterprises run by central ministries in priority sectors to small collective workshops opened by local street committees to provide employment for housewives and others who did not have jobs. In the mid-1960s, about three quarters of the urban workforce was employed by state entities, while about one quarter worked for collective enterprises.[11] Wages in collective enterprises were considerably lower and labor insurance and other benefits were typically inferior. The largest, best-financed state-run enterprises were able to build housing for all of their members and ran clinics and schools that were among the best in the area, while smaller, less well-provisioned enterprises did not have the space or resources to build apartments or provide clinics or schools.[12]

Among members of the same work unit, however, the party's egalitarian norms held sway. Wage differences within a factory were remarkably compressed, with senior workers earning more than all but the most senior cadres. A 1966 survey conducted by Barry Richman of 38 industrial enterprises, for instance, found that the average monthly base pay for the highest paid leader (typically either the chief engineer, the director, or the party secretary) was 137 *yuan*, a little over twice the average for all employees (63 *yuan*) and less than four times the average lowest pay (37 *yuan*). Moreover, in many of the surveyed enterprises the highest paid employee was a skilled worker, rather than a leading cadre.[13] Basic wage rates in the state sector were set by government regulation, which specified eight wage grades for workers and thirty-two grades for cadres. These grades were uniform across work units, sectors and regions, with small adjustments for variations in local living costs, and individuals who transferred between units kept their wage grade. The system was rigid and transparent; everyone knew exactly what everyone else—including top factory leaders—was paid.[14]

Throughout the Mao era, wages remained low, constrained by an ascetic ideology and an aggressive regime of capital accumulation that suppressed consumption in order to finance industrialization. Although wages increased steadily in the 1950s, there were few wage adjustments after that, and these were largely limited to those who had the lowest wages. As a result, while prices were also stable, living standards, which had grown considerably in the 1950s, stagnated.[15]

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[11] Chinese Statistics Bureau (1999, p. 2).

[12] H. Li (2016), Walder (1986, pp. 39-48).

[13] The 38 enterprises ranged from small factories with several hundred employees to huge firms with over 100,000 employees; most had several thousand employees. The reported wage rates apparently did not include the lower "apprentice" rates paid to new hires. See Richman (1969, pp. 798-806).

[14] Hoffman (1974, pp. 98-104), H. Li (2016) and Richman (1969, pp. 686 and 798-809).

[15] Hoffman (1974, pp. 155-157) and H. Li (2016).

Ideological considerations also limited the use of bonuses, fines, and material incentives, although policies fluctuated over time.[16] During the First Five Year Plan (1953-57), China imported from the Soviet Union material incentive schemes, including elaborate piece rate systems. During the Great Leap Forward, however, the CCP concluded—at Mao's insistence—that fines and material incentives were undermining efforts to promote a collectivist ethic and for the remainder of the Mao era the party favored moral over material incentives. Material incentives were reintroduced in a limited fashion in the early 1960s, with enterprises allowed to distribute between 7-10% of their wage fund as bonuses, but they were abandoned again in 1966 as the radical winds of the Cultural Revolution were gathering.[17]

During this period, the CCP was very effective in controlling corruption among state and party cadres. Over the long decades of insurrection and war, the party had cultivated among its cadres a revolutionary ethic of "hard work and plain living" (*jianku pusu* ⊠苦朴素) reminiscent of ascetic religious orders, and it endeavored to impose this ethic on Chinese society as a whole after 1949. As will be recounted in subsequent chapters, recurring mass campaigns during the Mao era continued to keep cadres on a tight leash and harshly ascetic norms inhibited even modest displays of wealth or luxury.

Although wage differences between cadres and workers were modest, there were significant status differences between the two groups. Cadres—technical as well as political and administrative—were of special importance to the state, which paid great attention to their appointment, promotion, transfer, and training. Significantly, the dossiers of cadres and workers were housed in different offices and their personnel matters were handled separately. Moreover, all political and most administrative cadres were party members, adding a political layer of inequality (which will be discussed below). Nevertheless, the party was concerned about keeping the social distance between cadres and workers from growing. For this reason, it compelled cadres to "eat, live, and work with the masses" (*tongchi tongzhu tonglaodong* 同吃同住同⊠⊠). Cadres generally wore the same clothing and ate in the same cafeterias as the workers. They lived in the same work unit apartment complexes and used the same bicycle paths to go to work; although apartment size often differed by rank, the differences were not great. Their families shared the same health clinics and their children went to the same schools. Moreover, because they expended more physical energy, workers received substantially larger food rations than cadres.

Cadres were also expected to participate regularly in manual labor. Workers and cadres reported that this was standard practice in their factories throughout the Mao era, although specific practices varied by unit and over time. In many enterprises, even factory-level cadres were expected to learn manual skills and were given regular production assignments, such as

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[16] For detailed discussion of fluctuating incentive policies during the Mao era see Andors (1977, pp. 125–27, 189–90, 232–35), Hoffman (1974, pp. 104-122) and Richman (1969, pp. 798–817).

[17] Lu (1993, p. 72). In Richman's industrial survey, conducted during the early months of 1966, he found that on average bonuses made up only about 6% of enterprise wage funds and many factories were planning to eliminate material incentives altogether (1969, pp. 800-03).

operating a particular machine for the Saturday shift.[18] Moreover, starting in the 1960s the boundaries between workers and cadres were blurred by the promotion of large numbers of workers to cadre positions (*yigong daigan* 以工代干) without formally shifting them to cadre status. Workers with several years of seniority were usually happy to keep their original classification, as they often received higher compensation than workshop-level cadres. Moreover, although cadres enjoyed distinctly high social status, the CCP's propaganda celebrated the leading role of the working class, and industrial workers in particular took pride in their class status.

Inequality within the workplace was also diminished through massive factory-based education programs. When the CCP took power, a vast social and cultural gap separated factory office staff, who were educated, and shop floor workers, most of whom were illiterate. According to contemporary estimates, in the early 1950s 75-80% of urban workers could not read or write.[19] The new regime organized factory-based literacy classes, taught by office staff and middle school students, and encouraged all workers to learn how to read. Several of the oldest workers I interviewed had learned basic reading skills in these classes. At the same time, factories established night schools for younger workers, which awarded regular primary and middle school degrees, as well as technical education programs. All classes were free and in some factories they were virtually compulsory. "All workers were expected to study," said Wang Miaoxin, a Beijing radio factory worker who took middle school classes in the 1950s. "You were also expected to have an amateur hobby—sports, art, theater, composition. If you didn't study and have a hobby, you were considered backwards."[20]

By 1959, Chinese publications reported that 80% of workers had learned at least the basic elements of reading and writing, nine million had reached middle school level and 400,000 were taking factory-based college classes. Thirteen million workers were enrolled in some kind of part-time classes in factories.[21] Although classes were halted during the post-Leap crisis, they resumed in the early 1960s. These classes not only trained worker-origin cadres, but they also provided much larger numbers of workers with cultural and technical skills needed to take on more sophisticated production responsibilities and participate in management.

Gender equality was also an important plank of communist ideology and, following Marxist doctrine, the CCP endeavored to create structural conditions for equality by bringing all women into the workforce and socializing domestic work. As noted above, this agenda was pushed on a grand scale during the Great Leap Forward only to fall by the wayside during the subsequent economic collapse. It was never abandoned, however, and as the economy recovered women were steadily brought into the work force, so that by the final years of the Mao era more

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[18] Richman's 1966 survey confirms that the policy of factory leaders regularly working in production was widely implemented (1969, pp. 240-241 and 763-64).
[19] Harper 1971a, p. 129.
[20] Interviewee A2.
[21] Harper 1971a, p. 136.

than 90% of the working age female population in urban China was employed outside the home and nearly half of the industrial workforce was female.[22]

Factories built and expanded cafeterias and childcare centers and they were required to provide equal pay for equal work, set quotas for promoting women to leadership positions, recruit female party members, and include women on party committees at the workshop and factory levels. These policies were a source of persistent tension within factories, a tension described by Wang Miaoxin, the radio factory worker:

> Workshop directors generally did not like to have women, but they were sent from above so they had no choice. Women comrades had to bear children and they had more household chores, so their attendance rate was lower. If you had more women, you had to have more workers to cover the same positions. But the workshop director couldn't say he didn't want women. That was called prejudice against women; that was not OK. It was a political requirement. Everyone would say, "That's discrimination against women, that has to be rectified." They would write big character posters.[23]

Despite the CCP's egalitarian doctrine and the extensive inclusion of women in the workforce, however, women's status in China's industrial communities never approached equality. In practice, the gender division of labor remained entrenched both at home and at work. Women were still responsible for most domestic work, as Wang noted, and they were disproportionately employed in temporary positions and in collective units with inferior compensation and benefits. Inside factories, they were typically assigned jobs considered appropriate for women; the ranks of traditionally male occupations, skilled and supervisory employees, technical staff, party members, and leadership cadres, remained overwhelmingly male. This was due not only to discrimination, which remained pervasive, but also to the fact that domestic duties made it difficult for women to put in the demanding hours required to advance in the technical, administrative, and political hierarchies of the factory.[24]

The CCP's doctrinal commitment to equality was also compromised by the fact that a significant minority of workers continued to be relegated to temporary status; as noted above, on the eve of the Cultural Revolution in 1966, the proportion of workers in the state sector who did not have permanent status reached 13%. Because hiring workers on a temporary basis contravened the CCP's basic principles, however, these distinctions were always controversial. Permanent employment had been established as the norm and during the Cultural Revolution, as will be seen in subsequent chapters, temporary workers would press for regularization and new regulations would shift millions of workers from temporary to permanent status.

Communist doctrine, thus, imbued the Chinese version of industrial citizenship with extensive promises of equality in a wide range of domains, all of which were only partially

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[22] Jiang (2004, pp. 207-208); Robinson (1985, p. 37).

[23] Interviewee A2.

[24] See Dong (2015a), Dong (2015b), Jiang (2004), Liu (2007), Robinson (1985), Rofel (1999), Wang (2000), and Zuo (2013).

fulfilled. Nevertheless, inequality was reduced to a remarkable degree and promises of equality shaped both cooperation and conflict within industrial workplaces throughout the work unit era.

Membership and collectivist ethics

If public ownership, permanent job tenure, and egalitarian norms were the product of ideological orientations the CCP brought with it to power, they were also essential for the party's ongoing effort to cultivate a collectivist ethic among work unit members. The party encouraged workers to think of the "factory as their home" (*yichang weijia* 以厂⊠家) and it reorganized the world so that in many ways it was. Work units became permanent communities that served as the hub of urban residents' lives and a central component of their identities. The cellular and insular nature of work unit communities and the significance of the boundaries that separated them fostered a sense of collective identity, loyalty, pride, and entitlement. This sense was stronger among members of work units that ranked higher in the administrative hierarchy and were larger, more important, and better endowed. And, of course, it was much stronger among the workers who enjoyed permanent status than among those who did not.

The industrial relations regime established by the CCP depended on the constant inculcation and reinforcement of this collectivist ethic among cadres and workers. In a perceptive comparison, Andrew Walder contrasted the long term job tenure that prevailed in China with the greater labor mobility in the Soviet Union in explaining why Chinese factory leaders were able to maintain a "mobilizational" approach to labor discipline, while Soviet leaders were compelled to turn to material incentives and punishments.[25] Appeals to workers and cadres to conscientiously take responsibility for factory affairs were predicated on work unit membership, economic security, and relatively egalitarian distribution.[26]

Expectations for participation went beyond the shop floor and the work day. Factories were also the site of highly organized and very demanding leisure time activities. Volunteers drilled with the factory militia and, as noted above, all employees were encouraged to attend basic education and technical classes and participate in a host of other factory-organized activities—sports teams, musical and singing groups, theater troupes, and so forth. Sports and cultural activities, including internal and inter-unit competitions, were an important part of work unit life, and were events in which rank-and-file workers mingled socially with factory leaders.

The communal structure of the work unit was accompanied by a relentless stream of collectivist and patriotic propaganda intended to instill in employees a sense of identity with and obligation to the work unit and the country. Many workers and cadres I interviewed conveyed the impression that this endeavor was remarkably successful.[27] To describe the collectivist ethic

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[25] Walder (1986, pp. 113-122).
[26] On this point, also see H. Li (2016) and Li (2017).
[27] In an article also based on extensive interviews with workers and cadres, Huaiyin Li (2016) provides a perceptive and nuanced analysis of the extent to which collectivist political pressure created effective work performance norms in Mao-era factories.

of the Mao era, Xue Jianguo, who worked in a small pharmaceutical factory, referred to Lei Feng, a young soldier who died in an accident in 1962 and was posthumously turned into a communist icon exemplifying selfless devotion to serving the people. "Then everyone thought Lei Feng was great," she told me. "Now they would say he was stupid." I asked Xue whether there was anyone back then who thought Lei Feng was stupid. "Maybe, but very few," she replied. "And most people would say those few people were wrong. Then the propaganda was very strong. You can say it was brainwashing, but it was pretty effective."[28]

Permanent job tenure fundamentally shaped labor relations. Members of a work unit developed longstanding relationships that entailed mutual obligations, similar in some ways to those in traditional family-based production organizations. These included both horizontal relations among workers and vertical relations between workers and leaders. Party secretaries styled themselves as paternalistic figures who took care of their subordinates. While—as Walder and others have stressed—permanent membership fostered relations of dependency between workers and leaders, it also meant that workers' concerns and opinions mattered. As will be discussed in the subsequent sections, because workers could not be fired and because ideological constraints greatly limited the use of fines and bonuses, leaders had to rely largely on persuasion, commendation, and criticism to encourage labor discipline and conscientious work. Although decision-making power was ultimately in the hands of leadership cadres, they were compelled to consult with their subordinates and attend to their concerns in order to win their cooperation.

Party-centered industrial governance

Governance in Chinese factories was organized around the Communist Party. Within industrial enterprises there were three basic levels of management—the factory as a whole, workshops, (which might include several hundred workers), and small production teams (usually composed of five to twenty five workers).[29] There were two parallel hierarchies of authority, one for managing politics and people and the other for managing production. This division—between *zhengwu* (政□political affairs) and *yewu* (□□business or production affairs)—was central to the CCP's conception of governance; the party carefully distinguished between the two and insisted on the primacy of the first. On the production side, the hierarchy of authority descended from the factory director, to workshop directors, to the leaders of small production teams. On the political side, the hierarchy of authority was headed by a party committee at the factory level, branch committees at the workshop level, and small party groups within the production teams. The basic unit—the small party group—was each typically composed of four to six workers (for production teams with few workers, party members in two teams might meet as one group). The

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[28] Interviewee B10.
[29] The organization of large factories was more complicated, as they were often divided into different production facilities (called branch factories), operated multiple shifts, and had technical, service and welfare departments that were not directly involved in production. For the purposes of discussing the way factories were generally organized and managed, however, I will focus on these three basic levels.

factory party committee and the workshop branches were headed by party secretaries and each small team had a party group leader.

Because the political hierarchy was dominant, the party secretary rather than the factory director was the most powerful individual in the plant. While the *yewu* hierarchy was charged with day-to-day management of production, the party organization was charged with setting general policy, leading political work, and handling personnel issues, appointments, and promotions. At the factory level, important decisions were made by the factory party committee and at the workshop level they were made by the branch party committee. The power of the party committees was underpinned by the fact that all cadres in the political hierarchy and most cadres in the production hierarchy, especially at the upper levels, were party members bound by party discipline. The factory director was typically the vice-secretary of the factory party committee, while the workshop director was the vice-secretary of the branch party committee.

During the Mao era, factories were organized as individual enterprises, usually operating on a single site. Enterprises were subordinate to local government authorities, and many larger factories were also subordinate to central ministries. There was persistent tension between those central party leaders who favored enhancing vertical lines of authority, through building strong central industrial ministries along Soviet lines or creating multi-factory "trusts" along Western lines, and others who favored more a decentralized system based on local control and self-reliance. Those favoring centralization, including Liu Shaoqi, Deng Xiaoping and Bo Yibo, also emphasized economic criteria in industrial decision making, while those who favored decentralization, including most prominently Mao, stressed putting "politics in command" (*zhengzhi guashuai*政治挂⊠) and making individual factories accountable to local party committees. As long as he was alive, Mao succeeded in limiting tendencies towards centralization and economic rationalization, and a decentralized, politicized approach to industrial management was particularly pronounced during the Great Leap Forward and the Cultural Revolution decade, periods when he was most influential.[30]

Despite these differences, all CCP leaders agreed that the party had to play the central role in leading and coordinating both government agencies and industrial enterprises. The industrial order was organized around the party at all levels, as the CCP built a highly centralized and disciplined organization with a hierarchy extending from Zhongnanhai in Beijing down through every corner of the country and reaching into every work unit.

The party and the masses

Although the core of the factory party organization was made up of leadership cadres, the CCP devoted great attention to recruiting workers and cultivating them as active members of the organization. By 1957, the CCP reported that 13% of industrial workers had joined the party.[31] The proportion was highest in large state-run factories; many workers I interviewed who were

[30] Li (2015, pp. 21-49), Lee (1987, pp. 73-122).
[31] Harper (1971a, p. 148).

employed by large factories during this period estimated that about one fifth of the workers in their workshops were party members.[32] Because of the CCP's ideological orientation and its distrust of the educated classes, during the Mao era workers were much more likely than technical cadres to be recruited as party members. A 1965 survey of eleven large factories showed that while over 56% of management personnel and 18% of production workers were party members, only 9% of the technical staff had joined the party. The factory party organization was strongly rooted on the shop floor; of the nearly 24,000 party members in the surveyed factories, well over half were production workers.[33] Factory leaders relied on these rank and file party members to help them manage factory affairs.

For workers who aspired to be promoted to positions of responsibility, joining the party was very important. Membership did not necessarily lead to promotion; indeed, most party members remained rank-and-file workers. But party members were much more likely to be selected as production team and shift leaders, and promotion to a workshop level cadre position was very difficult without having been admitted into the party.

Joining the party was an arduous process and success was not at all certain. The first step was joining the Communist Youth League (CYL), which during this period was also a selective organization.[34] The subsequent process of applying for party membership generally took several years; individuals could apply once they reached 18 years of age and prospects dimmed after 30. Admission required the sponsorship of two party members and the assent of the majority of the party group in the applicant's small team, usually after considerable deliberation. In order to win admission, young activists (*jiji fenzi* 积极分子) had to enthusiastically carry out their production tasks and other duties, actively participate in political activities, exhibit a commitment to the party's ideological and political doctrine, demonstrate a collectivist spirit and a dedication to the public good, and display a willingness to follow the agenda of the factory party leadership. In her insightful discussion of the competition to join the Youth League in Chinese middle schools during this period, Susan Shirk highlighted the contradiction at the heart of this endeavor—in order to advance their career prospects, young activists had to show that they were selfless.[35]

Membership in the party entailed intense commitment as well as political privileges. In addition to the daily meetings that all workers had to attend, party members participated in weekly meetings of the party groups in their production teams. At these meetings, they were provided with information and allowed to read documents to which non-members were not privy. Party members were expected to share the party's *esprit de corps*, follow its demanding ethical and political principles, and subject themselves to its organizational discipline. Small party group meetings featured exacting "criticism and self-criticism" sessions, which encompassed not only behavior at work, but all aspects of a members' life. Members were

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[32] Most enterprises in Richman's 1966 survey reported party membership ranging from 10-15%, while some reported 20% or more (Richman 1969, pp. 761-62).

[33] CCP Central Committee Secretariat Research Section and the General Office of the ACFTU (1983, pp. 10-11).

[34] As of 1957, only 29% of industrial workers were reported to be CYL members (Harper 1971a, p. 148). Over time the CYL became less selective.

[35] Shirk (1982).

expected to take greater responsibility for factory affairs, work long hours to solve problems or meet production deadlines, and respond to every call for voluntary labor. During production competitions or political movements, they were expected to be at the front lines.

Party members—including rank-and-file members who remained workers—were an elite within the factory. This was reflected in official forms, which typically provided a section to list the political status of an individual, with three options: "party member," "league member," or "masses." Like most elites, party members had a virtuous self-conception, considering themselves more committed, more motivated, more trustworthy, more politically sophisticated, and more concerned about the factory, the country, and the world than the masses of non-party members. There was some truth to this self-conception, although more broad-minded members understood the reasons why others were unable or unwilling to join the party. Many women had duties at home that precluded making the time commitment demanded by the party. Many workers, despite their best efforts, could not overcome obstacles presented by family background or the personal biases of branch party leaders. Some had doubts about party policies or did not wish to participate at the front lines of political movements that often required denouncing fellow employees. Others simply could not abide the political conformism that membership required.

Workers who were not in the party often respected party members, who were typically among the hardest working and most capable employees, but they had a different—and less favorable—perspective on the status distinction that membership entailed. They especially resented patronage relationships, in which party members and activists cultivated good relations with leaders and leaders cultivated followers, for their mutual benefit. They derided those who sought to join the party for personal advancement, expressed in the popular adage *rudang dangguan* (入党当官 enter the party to become an official). This criticism, of course, did not challenge, but rather followed, the hegemonic discourse of the day. The party admonished its members that they were to aspire to "serve the people" (*wei renmin fuwu* ⊠人民服⊠), not seek personal power and privileges, and so those who criticized fellow workers for pursuing personal ambitions under the cloak of political activism could find plenty of ammunition in the party's own rhetoric. Indeed, even workers I interviewed who were highly critical of the system, generally said they had no problem with honest party members who worked hard and lived up to the collectivist principles they espoused. They reserved their greatest scorn for "fake activists," who spouted political slogans, but shirked hard work and sought special accommodations for themselves.

Democratic Management

The Communist Party insisted on monopolizing power; it prohibited the establishment not only of competing political parties, but of any kind of independent organization, and it suppressed any autonomous activity that might be construed as political. Party leaders, however, were serious about encouraging popular participation. As an insurgent organization, the party had depended

on mobilizing peasants to create rural base areas, and in the early years after 1949 it had depended on mobilizing workers in order to take control of and transform urban areas. As it developed new structures to govern industrial workplaces, the party had encouraged workers to take responsibility for factory affairs and actively participate in enterprise management.

The rhetoric about democracy was not simply for show; the party built institutions and cultivated practices of popular participation that had important practical functions. As I have noted, for party leaders, Democratic Management had three main purposes. The first was to mobilize employees behind the party's goals, encouraging them to work conscientiously, participate in party-led activities, and carry out management responsibilities on the shop floor. The second was to create channels for input from below, allowing leaders to solicit suggestions about policies and practices and learn about, address, and defuse employees' grievances and concerns. The third was to enlist workers in the task of "mass supervision," that is, to help the party monitor and criticize the behavior of its own cadres. The first two—shop floor self-management and input from below—will be discussed in the following sections; mass supervision will be the topic of the next chapter.

Shop floor self-management

In every factory, the small production teams were expected to manage their own affairs and assume much of the responsibility for organizing production and maintaining labor diligence and discipline. Reliance on small teams created a decentralized form of labor management similar in some ways to the labor contracting systems that were common in factories and mines in the early industrial era. In China and elsewhere, early industrial enterprises depended on labor contractors to recruit and often to pay and manage groups of workers. These systems were often highly exploitive of workers, but—as Emily Honig and others have pointed out—they were also not ideal for the owners of enterprises.[36] While it was expedient for owners to use labor contractors when they did not have easy access to labor or the capacity to directly manage production, they often preferred to get rid of contractors and directly hire and manage labor when they gained the capacity to do so. Over time, capitalist firms typically replaced labor contractors with centralized hierarchies of authority and technical forms of control, including sophisticated surveillance systems and incentive mechanisms based on piece-rates, fines, and bonuses. This, however, was not the route that Chinese factories took after 1949. Instead, in industries in which labor contractors (*batou* 把⊠) had recruited and managed teams of workers, the new regime got rid of the contractors but retained the group structure; moreover, it made small production teams the basic form of organization in all factories.[37]

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[36] In her analysis of labor contracting in Shanghai's Republican-era textile mills, Honig (1986, pp. 94-131) argues that the system endured because of the power of the Green Gang, which controlled labor recruiting. For other analyses of contract labor systems in Republican era see Brugger (1976, pp. 39-50), White (1976), and Wright (1981).

[37] For accounts of the transformation of labor contract systems in Chinese factories after 1949 see Brugger (1976, pp. 90-99 and 190-192) and Lieberthal (1980, pp. 142-152).

Andrew Walder has pointed to the similarities between the CCP's small team system and labor contracting systems, arguing that both fostered relations of personal dependence between workers and supervisors.[38] The similarities were, indeed, striking, especially with regard to the decentralized character of labor management and the personalistic character of relations between team leaders and members. The systems, however, were very different in other ways, two in particular. First, while contract labor systems were based on highly precarious employment, the new system was based on permanent job tenure. Second, while contract labor systems concentrated power in the hands of the labor contractors, the small teams were based on principles that were comparatively egalitarian. As a result, although the system—for reasons Walder has described well—did foster relations of dependency, it also encouraged greater worker participation than do more centralized forms of factory administration.

Production team leaders were appointed by workshop leaders, but the latter usually consulted with team members when selecting a new team leader. In many of the factories I investigated, workshop leaders simply asked team members to nominate their own leader. These team leaders were, by all accounts, typically diligent and capable individuals who put in long hours and took on a great deal of responsibility, but they retained their status as workers rather than cadres, continued to have production tasks, and kept their original wage grades. "We had coworker relations, not worker/boss relations," insisted Wang Miaoxin, the Beijing radio factory worker, who served as a team leader between 1957 and 1967. "I had to work harder than other people—if you didn't, others wouldn't listen to you."[39]

Other members of the production teams were also expected to take on individual responsibilities. Workers recalled taking part in what was called the *ba dayuan* (八大⊠ eight big staff) system, in which each team member was assigned specific managerial duties. The duties of the *ba dayuan* seem to have varied by factory, or at least recollections differed, with individuals remembering that members of their teams were charged with taking care of tools and equipment, materials, attendance, record keeping, quality control, experimentation, propaganda, and sports and cultural activities.

Production teams met every day—either before or after work, or both—to discuss production problems, resolve welfare issues, do political study, and take care of a range of other business. Production planning involved overcoming problems created by shortages of raw materials, machinery and equipment problems, scheduling disruptions, as well as quality control and staff training. When workshop directors gave work assignments to small teams or set production quotas, they typically conferred with team members. If a workshop director attempted to set production quotas or methods without consultation, he could be easily accused of "bureaucratism," "commandism," and "subjectivism," and would find it difficult to win the cooperation of team members. The goal, of course, was to get the small teams to sign on to the production goals they were responsible for meeting.

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[38] Walder (1986).
[39] Interviewee A2.

Production teams were responsible for maintaining the labor discipline of their members and at team meetings the leader praised members for their contributions and criticized their failings. Everyone was expected to join in assessing the work of the team and each of its members, in a watered down version of the criticism and self-criticism sessions held within the party organization. "Every day after work they discussed whether or not you did your work well," recalled Wen Guowei, a ball bearing factory worker. "You were together with everyone, there was a lot of psychological pressure; if someone wasn't working well, it would affect the whole group."[40] Workers told me that this kind of face-to-face accountability within the small team was quite effective in getting everyone to pull their weight. "In general, workers took pride in their work," Wu Tianliang, a young plywood factory worker, recalled. "People looked down on people who goofed off."[41]

Production teams were regularly asked to evaluate their members and recommend individuals to be recognized as "advanced producers" or "model workers," important commendations that not only accorded honor to recipients and allowed them to participate in prestigious factory-wide and city-wide meetings, but were also an important consideration in deciding raises and promotions. Small teams were also asked to deliberate the allocation of production bonuses and to rank members for eligibility for raises, tasks that, as will be discussed in a subsequent chapter, often became highly contentious.

During the Great Leap Forward, Mao had stepped up efforts to involve workers in technical innovation, one of the central planks of the Anshan Steel Constitution, which he promoted as a model for industrial management.[42] Production workers who were technically inclined were invited to join "triple combination" (*san jiehe* 三⊠合) technology reform teams, which also included technical staff and administrative cadres. Wang Miaoxin, who joined this endeavor in his radio factory, reiterating the rationale for the teams: "Workers had practical work experience and technical cadres had book-learning, so for them to unite was very good." Workers were also constantly pushed to come up with suggestions for technical improvements. "If something wasn't rational, the workers would say it," he recalled. "Everyone was always looking for better ways to do things; I did too. It wasn't just a few people—many people have the ability to think about how to improve things."[43] Interviewees also remembered participating in intensive campaigns to come up with practical inventions. "We worked [on our regular shift] all day and then worked on our projects in the evening, sometimes until 11:00 at night—it was exhausting," recalled Zhu Jingxian, a production team leader in another Beijing electronics factory. While participation was enthusiastic, he noted that these campaigns did not always make the most efficient use of resources. "There were some good ideas…but there was also a lot of waste—we threw out a lot of materials."[44]

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[40] Interviewee H39.
[41] Interviewee G5.
[42] Andors (1977).
[43] Interviewee A2.
[44] Interviewee A3.

In addition to small team meetings, workers were regularly called upon to attend workshop-wide and factory-wide meetings, some about production issues and others about political campaigns. Many workers I interviewed remembered the constant meetings of the Mao era as a burden, especially the political study meetings, which typically involved collectively reading newspaper articles and then discussing the content in formulaic fashion. Even the most activist workers recalled being relieved in the 1980s when the number of meetings fell off. At the same time, many also looked back on the mandatory participation of these years wistfully. "Back then all of the employees knew about everything," recalled Li Jiangong, who worked in an aluminum mill in Henan. "It was not like today, when employees don't know anything, they just work."[45]

Input from below

While small production teams managed their own affairs, the scope of this kind of self-management was quite limited; it largely involved deciding how to implement policies and decisions made at higher levels. Above the small team level, workers were not directly involved in decision making and their influence was far more limited.[46] Nevertheless, the CCP developed an elaborate array of mechanisms to gather input from factory employees and nominally involve workers in decision-making processes. These mechanisms were not simply a formality; party leaders were genuinely interested in learning about workers' preferences and objections. They were determined, however, to channel this input through mechanisms controlled by the party and to reserve final decisions for party leaders. In the following sections, I will briefly examine how some of these mechanisms to gather input from below operated and then consider how much influence workers actually had by looking at one critical type of decision—the selection of factory leaders.

The party, the union, and the staff and workers congress

The party itself served as the most important vehicle to gather input from below. With workers making up the bulk of its membership, the factory party organization was designed to function as a structural connection between enterprise leaders and the shop floor, and rank-and-file party members played a key role in the CCP's concept of Democratic Management. When party leaders wanted to get a sense of the sentiment in the factory about one issue or another they would typically consult with rank-and-file party members informally or through formal channels, including the weekly meetings of the small party groups.

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[45] Interviewee H19.

[46] Even factory leaders had limited influence on many of the most important decisions. These decisions, involving the selection of top factory leaders, major investments, production lines, procuring inputs, selling products, prices, wage rates, overall budgets for raises, bonuses, and the construction of enterprise housing, and so on, were made above the factory level. See Li (2015) and Richman (1969, pp. 671-804).

The key decision-making body in the enterprise—the factory party committee—was supposed to include, along with the very top party leaders, one or more workers who were rank-and-file party members. Workshop party committees followed the same principal; interviewees reported that they were usually composed of five to seven members, who typically included the workshop party secretary, the workshop director, the workshop union chair, and several "mass committee members" (*qunzhong weiyuan* 群众委⊠).[47] The mass committee members were often women, as there were quotas for female participation and party leaders were disproportionately male. As might be expected, individuals who served on party committees recalled that worker members inevitably did not participate as actively in committee deliberations as did the leading cadres. Nevertheless, Bao Guangli, a workshop party secretary in the Brilliant Glass Factory, insisted that they played an important role. "You had to have workers on the committee, you couldn't just have leaders." Mass committee members could represent the workers, he explained, adding "they did very important work, helping resolve conflicts in the workshop. People would get upset and they would have to do thought work."[48] "Thought work" (*sixiang gongzuo* 思想工作), which usually meant explaining unpopular policies to skeptical workers, was clearly one of the key functions of the workers invited to serve as committee members.

The ACFTU continued to be an important part of the party's apparatus inside factories, although its role had greatly diminished since the days when union cadres mobilized workers to challenge capitalists and incumbent managers in the early 1950s. It was organized along more or less the same lines as the party: at the factory and workshop levels there were union committees, each headed by a union chair, and one member of each production team was responsible for union work. The union served as part of the factory administration and the factory union chair was typically also the vice-director of the enterprise in charge of welfare and social activities. Union cadres helped manage factory night schools, organized sporting events, concerts, and dances, showed movies, raffled off bicycles, provided financial help for families facing special difficulties, and helped run routine political education campaigns and production competitions. These were important duties during this period, when the factory's welfare responsibilities were considerable, political movements and production competitions came one after the other, and factory life included regular sports and cultural activities.

As was definitively settled in 1958, however, the union was completely subordinate to the enterprise party organization and workers saw union chairs as useless when it came to representing workers' concerns to factory leaders. "From above they said the union was very important, it represented the workers' interests," said Zhu Jingxian, the electronics production

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[47] The factories I investigated seem to have largely adhered to the requirement to include workers as members of party committees; interviewees who were familiar with the composition of party committees generally reported that there were workers on the committees at both factory and workshop levels, although the proportion was higher at the workshop level. Richman (1969, p. 761), however, reported that a majority of the enterprises he surveyed did not include workers on factory-level party committees.

[48] Interviewee Q17.

team leader, "but actually down below it couldn't resolve any problems. It was just a daily livelihood union, it took care of *chi he la sa shui* (吃喝拉撒睡 eating, drinking, shitting, pissing, and sleeping), it didn't have the power to deal with anything else."[49] A worker might approach the workshop union chair when his or her family was in need of special assistance, but when a problem required leadership intervention, workers usually went directly to the party secretary, not the union chair.

One of the duties of union cadres was to organize staff and workers congresses. On paper these congresses had substantial powers. According to guidelines adopted by the CCP Central Committee in 1957, the representatives gathered at SWC meetings had the right to discuss the enterprise director's work report and make recommendations regarding production, employee compensation, factory rules and regulations, and other issues, make decisions about the union budget and the use of medical and labor protection funds, request that higher authorities dismiss and replace enterprise leaders, and, finally, appeal to higher authorities when the congress disagreed with decisions made by enterprise leaders.[50] In practice, however, the SWC could hardly be used to challenge factory leaders; its function was to provide a carefully controlled channel for input from below.[51]

In factories with less than 100 employees, employee congresses included the entire workforce; in larger factories, workers in every workshop and department elected representatives, one for every ten to twenty employees. Thus, in large factories, congress meetings were attended by hundreds or even thousands of representatives. Enterprises were required to convene SWC meetings twice a year and hold elections for representatives once every two years.[52]

The employee congresses were structured in a top heavy fashion. Regulations allowed up to one quarter of the representatives to be cadres, ensuring that they were greatly overrepresented, and although three quarters of the representatives were required to be workers, shift supervisors and small team leaders were included in this category.[53] In some of the factories I investigated, the process of selecting representatives was relatively democratic—small teams nominated candidates who would stand in workshop-level elections. More often, elections were more carefully orchestrated from above, with workshop leaders asking workers to select from a list of nominees with a one or two more names than the number of representatives required from their workshop. "The elections were guided (*yindao* 引⊠)," explained Wang Miaoxin, the radio

[49] Interviewee A3.
[50] Central Committee of the CCP (1957b).
[51] Li Wanlian's (2012) case study examining the functioning of the SWC in a large Guangzhou factory during the Mao era accords with this evaluation.
[52] CCP Central Committee (1965a, Article 62). During some periods, some factories also convened congresses of union representatives in place of, in addition to, or in conjunction with SWC meetings. The two congresses carried out similar functions and, for simplicity of presentation, I discuss only SWC meetings.
[53] CCP Central Committee (1965a, Article 62). In the factory Li Wanlian (2012) investigated, it seems the leadership was careful to follow this requirement: between 1957 and 1978 workers always made up between 70% and 80% of SWC delegates.

factory production team leader, who served as a representative in the 1960s. "The workers voted, but the party branch guided the process."[54] In some factories, the workshop union chair and party secretary simply named the representatives. In all cases, even the most democratic, the representatives were generally people on whom party organization felt they could rely— party members, young activists, and "backbone" (*gugan* 骨干) employees who conscientiously took responsibility for factory affairs and strived to cooperate with the leadership.

Workers and cadres reported significant variation in the way SWC meetings were convened. In some factories, congresses were held irregularly and were simple events with perfunctory reports and votes. In others, congresses were convened at least twice a year and they involved a protracted and elaborate series of events. The party secretary, factory director, and union chair instructed their staff to spend months preparing substantial reports to be delivered to the congress about accomplishments, problems to overcome, and plans for the subsequent year. A convening committee, composed of top party and union leaders, instructed congress representatives (who served for multiple year terms) to circulate draft reports and canvass employees in their own workshops. The representatives gathered suggestions and complaints that they condensed into written proposals, which were submitted to the committee for consideration as it put together an agenda for the congress. Before the congress was convened, small groups of delegates first met in workshops to discuss the reports along with other proposals included on the agenda.

For many of those who were active participants, the SWC was an effective mechanism for providing input to the factory leadership. "Before the leaders summed up this year's results and implemented next year's plans, they had to hold an SWC meeting to get opinions," said Zhu Hailiang, a small team leader who served as a representative in his electronics factory. "Is the summary report correct or not? Is it objective or not?" He stressed that it was important to get employees to sign off on the leadership's plans. "They had to listen to the staff and workers' opinions. If they had not presented [the draft reports] to the masses and gotten their opinions and later there was a problem, what could they say? It would be hard to explain." I asked him if opinions expressed at the congress had any influence. "If people pointed out some problems with the factory director's draft report, he would certainly have to reconsider and go back and investigate," Zhu replied. "In reality, the factory director was in charge, but the union had to go along, to look things over and see if there were any problems. If the workers weigh in [on the report] and the union approves it, that shows that you attach importance to the union."[55]

Workers and cadres who participated in SWCs recalled that there were often substantive discussions with representatives expressing different viewpoints. "There was no discussion at the big meeting where the reports were presented," recalled Pan Wencai, a skilled worker who was a production team leader in another Beijing electronics plant, "but when congress representatives broke into discussion groups, people expressed their opinions, they discussed whether they agreed or disagreed. They would often disagree, that was normal. Disagreements would involve

[54] Interviewee A2.
[55] Interviewee A3.

practical concerns about how production was organized in the workshops."[56] Wen Baoqiang, a skilled shipyard worker in Wuhan, recounted how delegates raised sharp criticisms of the factory director at a congress meeting he attended in 1965. "People were not happy with the situation. ...The mid-level cadres raised more opinions [about production plans] than the workers did. The factory director had very tense relations with the mid-level cadres. Also because of the Great Leap Forward, the workers didn't like *guankaya* (管卡⊠controlling, restricting, and repressing), so they also criticized the factory director." Representatives, however, were careful not to directly offend factory leaders. "We talked about the factory director in the discussion groups, we didn't dare discuss him in the big meeting," he explained. "But there would be reverberations (*fanying*反映), the leaders would hear that some people were unhappy about this or that."[57]

While employees who were active in factory SWC meetings tended to describe them as important—if highly constrained—forums, those who were not as involved tended to see less utility in the meetings. Many stressed the limits of workers' influence. "Everything was already decided in advance, they just let everyone go there and raise their hands," said Yuan Yunshan, a textile worker in Zhengzhou. "They would let you support them, but they wouldn't let you undermine them. The basic things, the principal things were decided internally, so democracy was just a form, it didn't have practical content."[58] In explaining why he was never interested in participating, Lin Zheyang, who worked at a large ball bearing factory, echoed this notion. "The so-called staff and workers' representatives couldn't really express the workers' opinions, they couldn't really raise their complaints to the higher levels. They didn't dare say what they really thought, they just said what the leaders wanted to hear."[59]

<u>Selection of leaders</u>

Both the importance of input from below and its limits can be seen by looking at how factory leaders were selected. This was, of course, an issue of great importance to both workers and higher authorities. Ultimately, higher authorities always made the final decisions about appointment at all levels—top factory leaders were appointed by party authorities in the government agency responsible for administering the enterprise and workshop and production team leaders were appointed by higher levels of the factory party organization. There were, however, formal and informal mechanisms for consulting workers about leadership appointments, and these had important consequences. Formal consultation took place through elections. There were three types of election processes—one for party leaders, one for union leaders, and one for factory and workshop directors. Each had its own characteristics.

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[56] Interviewee A4.
[57] Interviewee W6.
[58] Interviewee H11.
[59] Interviewee H15.

Party secretaries and members of party committees—the most powerful positions in the factory—were chosen by a very limited electorate: the party membership. According to the CCP's constitution, in every enterprise the factory party secretary and factory party committee members were to be elected at an annual party congress made up of representatives elected by the party membership. Party members were also supposed to directly elect the members of the party committees in their workshops, who in turn elected the workshop party secretary.[60] When party members voted, they were typically asked to select from among a list of nominees chosen by party leaders. If there was any uncertainty in these elections, it was about who among the candidates for the worker slots on party committees would win the most support, as everyone knew that the secretary and vice-secretary positions were not really in play. These leaders typically occupied their positions until they were promoted, demoted or transferred by higher authorities. Moreover, the very top party leaders were typically veterans of the revolutionary era who came from outside the factory. Thus, when factory party congress representatives were asked to vote for the party secretary, it was purely a formality.

Union chairs and members of union committees were elected in a similar process, but in this case the electorate included the entire workforce. Workers were supposed to directly elect union committee members and chairs in their own workshops and also elect SWC representatives, who would in turn elect the members of the factory level union committees and the factory union chair.[61] Unlike top party leaders, who often came from outside of the factory, union leaders were typically recruited from among the workers. Most interviewees reported that their work units did, in fact, hold union and SWC elections regularly, although, as was described earlier in this chapter, these elections always involved some form of guidance from above. Moreover, in some enterprises, factory and workshop party secretaries grew accustomed to appointing SWC representatives and union committee members without even the pretense of elections. Where elections were held, even though they were guided from above, interviewees suggested that the voting was not inconsequential. For instance, when I asked Zhu Jingxian, the electronics factory production team leader, whether union chairs would favor friends when allocating hardship assistance, he responded, "No. That would be difficult, they wouldn't last long—they were elected!"[62]

The third kind of elections—for factory and workshop directors—were much more problematic than either party or union elections. With party elections, although the positions were very important, the electorate was small and it was inclined to follow the leadership, and with union elections, although the electorate was much broader and more difficult to control, the positions were not as important. Factory and workshop directors, in contrast, had substantial power and for that reason party authorities were much more hesitant about inviting the entire workforce to vote for these positions. Nevertheless, it seems that the CCP felt a recurring compulsion to implement some form of this most conspicuous expression of workplace

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[60] CCP Eighth National Congress (1965, Chapters 2 and 6).

[61] During the early years of the PRC, many factories convened union congresses instead of or in addition to SWCs. These largely served the same function and ultimately the SWC became the universal form.

[62] Interviewee A3.

democracy. In the mid-1960s, it launched a wave of elections for factory and workshop directors during the Four Cleans campaign (see Chapter 4), and factory elections would be organized again—with far greater ramifications—as factory governance structures were reorganized during the Cultural Revolution (see Chapter 6) and in the early years of the post-Mao era (see Chapter 7). As we shall see, although each of these waves of factory elections had unique characteristics, the process in every case was tightly controlled, allowing little scope for workers to effectively influence the selection of top factory leaders.

Despite the limits of formal elections, workers did have substantial influence on the selection of factory leaders through informal means, especially at lower levels of administration. As was noted earlier, in many factories workers were asked to select their own production team leader, subject to the approval of workshop leaders. Moreover, when factory leaders appointed a workshop director, a position of considerable power, they typically consulted key cadres and workers in the workshop. They would use the party apparatus for this purpose, asking rank-and-file party members for their opinions and about a candidate's reputation among workers in the workshop and they would also consult with other workers directly. Over and over again, cadres and workers I interviewed stressed that "support from below" was one of the most important qualifications for appointment to a leadership position. "If a person would have problems with the people below, they wouldn't dare appoint him," said Wang Miaoxin, the radio factory production team leader. "Before appointing someone, they had to think about whether he had respect (*weixin* 威信) and support from below, whether or not people would accept him."[63]

Why was support from below so important? As noted above, during this era the tools available to management cadres for maintaining labor diligence and discipline were limited. They had the power to promote and to distribute tasks, which were very important, and they were sometimes able to influence the allocation of housing and other goods distributed by the enterprise (although exercising such influence contravened regulations).[64] But they lacked tools that managers in the past had possessed. They could not threaten to fire workers and ideological and practical constraints limited the use of bonuses and other incentives. Finally, they had limited technical capacity to monitor workers. For all of these reasons, cadres had to rely largely on *renqing* (人情 personal relations), persuasion, commendation, and criticism. This required consultation and give-and-take accommodations, and maintaining a degree of mutual respect, all of which meant that it was very important to consider workers' opinions when appointing leaders.

From the perspective of many workers I interviewed, permanent job tenure compelled cadres to be more reasonable in their relations with workers. "Because workers had job security, you couldn't just give them orders," explained Wu Tianliang, the plywood factory worker. "There was no carrot and stick; to be a good manager, you had to have a somewhat good work

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[63] Interviewee A2.

[64] For a detailed discussion of the limits on the discretion of leadership cadres in allocating wage raises and housing see H. Li (2016).

style and be somewhat democratic in your approach to things; it required reason and persuasion. …If they were dictatorial and heavy handed, that hindered their ability to lead."[65] This idea was widely echoed by others. "The workshop leaders didn't have the power to fire you or fine you, so no one was afraid of them," said Wang Miaoxin, the radio factory production team leader. "If I thought my reasoning was better than yours, I wouldn't listen to you. For an ordinary worker or a small team leader, it was the same. If I didn't agree with the shift leader, then I'd go talk to the workshop director."[66]

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Despite the violent roller coaster of the Great Leap Forward, China experienced impressive industrial development during the first seventeen years of Communist power. The economy recovered from wartime disruption relatively quickly and during the following thirteen years, between 1952 and 1965, industrial production grew by an average of 12.3% a year.[67] During this period, China built entire new industries and industrial employment grew by nearly 50%, from about 12 million to over 18 million.[68] At the same time, the CCP reshaped industrial enterprises, creating a work unit model that would endure for the next three decades.

In a global era of industrial citizenship, the extraordinary permanence of job tenure in China's factories made them the world's most durable industrial communities. Long-term membership, together with egalitarian norms and strong collective identity, underpinned high levels of worker participation in Chinese work units. If the system was highly participatory, however, it was also fundamentally paternalistic. The paternalism stemmed from constraints on autonomy, which shaped the nature of participation. Although there was a high degree of shop floor self-management and elaborate mechanisms for input from below, the influence of workers was limited in scope and restricted to forums controlled by the CCP. Workers were encouraged to manage their own affairs and to raise suggestions and complaints, but real decision-making power was concentrated in the hands of party leaders and it was not possible to use the formal institutions of Democratic Management to challenge the authority of these leaders.

Lack of autonomy was a problem even for the CCP leadership because it hindered the accomplishment of the party's own goals for worker participation. This was true for the two aspects of participation dealt with in this chapter, shop floor self-management and input from below, but lack of autonomy presented an even greater problem when it came to the third aspect of participation—enlisting workers to monitor and criticize factory party leaders. The next two chapters, which will recount the party's attempts to mobilize workers to denounce wrongdoing by Communist cadres during the Four Cleans campaign and the Cultural Revolution, will focus on the tension at the heart of this endeavor—attempting to introduce a degree of autonomy while maintaining central control.

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[65] Interviewee G5.
[66] Interviewee A2.
[67] Brandt, Ma and Rawski (2016, p. 34).
[68] Chinese Statistics Bureau (1987a, p. 6).