Chapter 1
INTRODUCTION

Chinese labor policy, like any major governmental policy, has resulted from complex interaction between elite priorities and objective conditions. Like the Bolsheviks of fifty years ago and the elites in the emerging nations of the past decades, the Chinese Communists came to power in an underdeveloped country with a relatively small and very immature work force, a low level of technical development and a lack of investment capital. In terms of both industrial base and reservoir of available skills, conditions in China in 1949 were significantly worse than conditions in Russia in 1917. The Chinese also faced a high ratio of population to arable land and a high rate of population growth. Investment capital would have to come from agriculture, as in the Soviet Union, but the margin between production and subsistence consumption was already extremely thin. The Chinese Communists also came to power committed to "lean on one side" and to look to the Soviet Union as a model for building a national industrial economy. Chinese labor policy therefore shared many characteristics with labor policy in the Soviet Union and other developing countries. The Chinese even copied directly from the Soviets, initially adopting their general industrialization strategy and formal trade union structure. But even these adoptions were soon modified to meet the priorities of China's leaders, especially Mao Tse-tung himself. A study of Chinese labor policy illustrates primarily its uniqueness.

Chinese political and economic policy has differed significantly from the Soviet model. One basic reason for this has been a difference of approach to the problem of simultaneously industrializing, socializing and communizing an underdeveloped country.
For Marx, the proletariat was to be the vehicle of the communist revolution because of its significant position in a capitalist society. The proletariat was that class which had become "proletarianized," i.e., torn from traditional, feudal and familial relations, recruited into an industrial work force, and therefore intensely deprived both objectively and subjectively. When the proletariat's situation became desperate, when it had nothing to lose but its chains, it would overthrow capitalist society and substitute a communist one. For Marx, looking at Western Europe in the nineteenth century, industrialized capitalist society was the given, communist revolution was the predicted consequence.

In China, like in Russia, the communist revolution came before the process of proletarianization. The creation of an industrial work force had barely begun, and the revolution itself was based on the peasantry. The purpose of the revolution was to eliminate the remnants of traditional family and feudal relationships and to replace the existing regime with one committed to industrialization and modernization as a prelude to communism. This meant that the process of proletarianization had to be carried out after the revolution. Thus, potential alienation of the workers by the very process of proletarianization has intensified the problem of national integration and elite legitimization. The regime has attempted to educate the workers to an acceptance of communism as a world view, not only as a prerequisite to achieving communism but also to legitimize the leadership role of the Chinese Communist Party itself.

In theory both the Chinese and the Russians have assumed that the communization of man is facilitated by objective conditions, thus the need for socialist industrialization. They have also assumed that the rate of industrialization is directly affected by the level of political consciousness among the people, thus the need for political education and indoctrination. But in practice the two regimes have had different priorities. In Russia Stalin
concentrated on industrialization. Only after their economic base had been secured did Soviet leaders make a concerted effort to combine education with industrialization. Under Stalin communication efforts were largely ignored, and efforts at political socialization were limited to those citizens essential to industrialization, like factory managers, engineers, and model workers. Their socialization was not by political education so much as it was by "economism," the capitalistic method of giving them a material stake in society. The rank and file workers were neither communized nor socialized but were controlled by labor discipline and, ultimately, by fear of the secret police and forced labor camps. In these terms, the Soviet thaw of the fifties consisted largely of extending economism to the rank and file workers.

In China, on the other hand, Mao has seemed to assume that in the final analysis political education holds the highest priority and is itself the primary motive-power for industrialization. This assumption reflects Mao's so-called Yenan thinking, that the Chinese masses, properly educated politically and properly mobilized, can overcome all obstacles. To a large extent, the Chinese have attempted to communize first, and thereby replace Soviet economism and compulsion with active commitment. They have, therefore, attached great importance to various forms of political education, especially participatory forms of political education.

This emphasis relates directly to Mao's redefinition of the concept of class into terms of ideological orientation. In the early fifties, the Party's propaganda emphasized national unity while playing down class struggle. Many Party leaders had not been workers or of worker origin, and the revolution itself was peasant-based. More significantly for the fifties, the Party needed the assistance of the national bourgeoisie and the intellectuals. The bourgeoisie as a class, defined in terms of its relation to the mode of production, was destined to disappear, and the proletariat was extolled as the leading class in Chinese
society. But the emphasis on unity was clear. To oversimplify, during that early period all individuals, regardless of class origin, with the correct ideological orientation could be included in the people. From 1956 to 1958 the "transition to socialism" was accelerated, and the emphasis shifted from unity to struggle. During the earlier period, classes in the Marxian sense including a bourgeoisie in private control of most of China's industry still existed, but there was also a need for unification and cooperation to get industrialization underway. By 1957 the bourgeoisie no longer existed in the Marxian sense, but Mao insisted on the need for struggle against bourgeois thinking within the remaining classes and within individual minds. According to Mao, everyone was subject to bourgeois thinking, regardless of class origin. Therefore, contradictions might develop within classes or among the people or in the thinking of individuals.

This is not the place to reconsider all the partial and possible reasons for Mao's change in emphasis. However, two major implications of that change should be noted. First, it changed the relationship between ideology and the Party organization. As Mao's statements during the Cultural Revolution can be reconstructed, if ideology and not class origin is the key, then Mao's thought stands above the Party. Party leadership must be justified by its performance toward realizing Mao's vision of the new China; it cannot be justified in class terms by the Party's definition as vanguard of the proletariat. Party members are, in fact, particularly susceptible to bourgeois thinking because their leadership positions can easily lead to entrenchment and thus to conservatism or revisionism. In this sense, the Cultural Revolution was an expression of Mao's rejection of national integration based on role interdependency and material goal orientations in favor of what might be called integration through ideological agreement created by common struggle. In labor policy this position has been reflected in Mao's preference for political education and struggle over material incentives, and for mass
participation over professionalism, expertise and organizational entrenchment.

Second, the change in emphasis from unity to struggle and the persistent tension between those two emphases have affected and changed the nature of political education. Political education has had two distinct themes since 1949. One theme has been national integration, patriotism, and the like. The second theme has been more ideological, i.e., Marxism-Leninism and, in the sixties, Mao Tse-tung's Thought. The first kind of political education has been directed toward national integration or socialization in the traditional sense, while the second kind has been directed toward the communization of the Chinese people. Ideally, both work toward the same or overlapping purposes, but in practice this has not always been the case. The workers have been a prime target for both types of educational effort, and the differences and changes in emphasis discussed here are therefore conspicuous in Chinese labor policy.

In China trade union activity is a part of the regime's labor policy. In this study, however, an effort has been made to concentrate on the unions. Chinese labor policy has reflected changing circumstances over time, apparent changes in Mao's policy orientations, and the tides of fortune in Mao's conflict with other Party leaders on the issues of ideology versus organization and politics versus professionalism. It has also reflected the development of professionalism among union officials and the Party's response to that development.

The aim of this study is chronological, to offer a general picture of trade union performance as it developed over time. It should be remembered, of course, that the periodization is only approximate and general. The years 1956-1958 have been suggested as a dividing point in the history of the Communist regime, with certain emphases characterizing the two periods before and after that point. But policy emphasis has also oscillated during each
of those two periods. For purposes of analysis the twenty-odd-year history of the Communist regime is divided here into seven periods: an early period of political and economic consolidation and reorganization; the period of China's first five-year plan and adoption of the Soviet industrialization strategy and policy of one-man management; the period from 1955 to 1957, when socialization of industry necessitated and the hundred flowers policy made public a major debate on the role of the unions; the period of the Great Leap Forward at the end of the fifties; a period of recovering from the disastrous effects of that campaign during the early sixties; the Cultural Revolution; and the period since then.

Three major patterns or models of union performance are discernible in those six periods. During three of them Chinese unions have had several functions: 1949-1952, 1955-1957, and 1961-1963. Although production was at the center of their work, they were also actively engaged in political education, administrative work, and communication between the Party and the workers. The second model appeared during the first five-year plan; under the Soviet policy of one-man management union performance was largely limited to the single task of promoting production. The third model characterized the Great Leap Forward and, with modifications, the early part of the Cultural Revolution. During those two periods reliance on political education was greatly intensified, and the unions were functionally supplanted by the Party during the Great Leap Forward and completely supplanted by "revolutionary rebel" groups during the Cultural Revolution. Since the trade unions have reappeared only very recently characterization of the seventh period is particularly tentative. Basically, however, current policy fits the third model.

Since the main presentation is chronological, an introductory note is added here on each of the major functions assigned to the unions: transmission belt between the Party and the workers, political education, production, and administrative functions.
Chinese Unions as Transmission Belt

The transmission belt role of the unions in Communist countries involves the entire question of Party-union relations. It is therefore at the center of union policy. In the Soviet Union, between 1917 and 1920, the question of union independence was openly debated. Lenin's decision was that the unions not be formally incorporated into the state bureaucracy, but that they be guided by the Party from above and led by the Party from within through the leadership position of Party members:

In its work, the Party relies on the trade unions...which are formally nonparty. Actually, all the directing bodies of the vast majority of the unions and primarily, of course, of the...All-Russian Central Council of Trade Unions, consist of Communists and carry out all the directives of the Party. Thus, on the whole, we have a formally non-Communist, flexible and relatively wide and very powerful proletarian apparatus, by means of which the Party is closely linked up with the class and with the masses, and by means of which, under the leadership of the Party, the dictatorship of the class is exercised. Without close contact with the unions...it would, of course, have been impossible for us to govern the country and to maintain the dictatorship.7

The Chinese position has been similar, without the initial period of open debate. Unions have been considered a "good lieutenant" to the Party. The Party is considered the highest organ or vanguard of the working class; unions are considered the organizational structure of the working class and a link between the Party and the workers. Therefore, the unions must work under the guidance and leadership of the Party.8 The unions were formally established as workers' organizations with the obligation of defending workers' interests, but workers' interests have been identified with the development and policies of the "workers' state." On the one hand,

It is the duty of trade unions to protect the interests of workers and staff members, to
ensure that the managements or owners effectively carry out labor protection, labor insurance, wage standards, factory sanitation and safety measures as stipulated in the laws and directives, and to take measures for improving the material and cultural life of the workers and staff members. On the other hand,

In order to safeguard the fundamental interests of the working class... (the trade unions must) a) Educate and organize the masses of workers and staff members to support the laws and decrees of the People's Government, (and) carry out the policies of the People's Government in order to consolidate the people's State power which is led by the working class; b) educate and organize the masses of workers and staff members to adopt a new attitude toward labor, to observe labor discipline, to organize labor emulation campaigns and other production movements in order to ensure the fulfillment of the production plans.

A primary instrument of Party control over the unions and other mass organizations, in China as in the Soviet Union, has been the leadership role of individual Party members within the union hierarchy. All of the top officials of the All-China Federation of Trade Unions (ACFTU) since 1949 have been Party members of high standing except Chu Hsueh-fan, who before 1949 had led the non-Communist but Leftist Chinese Association of Labor in Nationalist China. Perhaps more importantly, this policy is observed even at the local levels. Control within the union structure itself has been hierarchical, reflecting the leadership principle of democratic centralism. Union members were organized by enterprise or institution, enterprise unions were organized into national unions by industry, and national industrial unions were coordinated under the leadership of a single national congress. The congress was to be convened only every four years, however, and active leadership was to be exercised by the Executive Committee and especially the Presidium of the Executive Committee of the All-China Federation of Labor (ACFL; renamed ACFTU at the Seventh Trade Union
In Congress in 1953). In fact, no national congress has been convened since 1957.

In practice Party policy on union structure has been flexible, and two distinct organizational structures have been emphasized at different times. One is the vertical organizational structure of the industrial unions, as just described. The other is a regional union organization, horizontal in structure and closely tied to the provincial and municipal Party and government apparatus. When combined with other policies, this duality of organizational structure has had a significant effect on the unions. When the Chinese have emphasized "politics in command," the industrial sector has undergone organizational decentralization, putting effective leadership in the hands of local and regional Party committees rather than central ministries. The situation within the unions has been similar. During the early years of Communist rule the industrial unions were still weak, and regional union organs had the advantage. The industrial union system was formally established by a new union constitution adopted in 1953; its strength increased during China's first five-year plan, reaching a peak in 1956. But the unions, along with industry, were decentralized again during 1957, as indicated by the revised constitution adopted by the Eighth All-China Congress of Trade Unions. The existence of overlapping personnel has modified the differences between the regional union organization and the industrial union organization, but extensive research on union personnel by Paul Harper suggests that significant differences do exist, especially in terms of orientation to China's politics-professionalism or red-expert conflict. An additional effect of horizontal rather than vertical structure is the emphasis on geographical/institutional units rather than occupational categories or divisions of labor. That is, the emphasis is on the factory as composed of workers, technicians and cadres and its immediate geographical environment rather than on the relationship of workers in different plants through the industry-wide union organization.
of this emphasis within the broader policies of the Great Leap Forward and the Maoist strategies of the Cultural Revolution will become more obvious in subsequent chapters.

As the term transmission belt implies, a major function of the unions has been two-way communication between the Party and the workers. While the Chinese have periodically attempted to improve the upward flow of information, this has been difficult in practice because of the absence of any real leverage or power at the bottom. In this respect the relation between the unions and the Party has been similar to relations between lower and higher level cadres within the Party. Union officials have been in the middle; they are elected by the workers and theoretically represent them, but as Party members they are also subject to Party discipline. The Party evaluates union cadres and controls all sanctions and rewards; therefore, union officials almost inevitably side with the Party when workers' interests conflict with Party directives.

The major source of information about union performance has been criticisms of the unions published by the Party or by the union leadership. The unions have been criticized for either economism or bureaucratism. Economism has meant over-emphasis on worker amenities and reliance on material incentives rather than political education. Party accusations have associated it with attempts to exploit worker demands to put the unions above the Party, and with economic trade unionism and syndicalism. Bureaucratism has meant preoccupation with production but more with reports, meetings and other office chores to the neglect of contact with the workers. The Chinese Communists have attempted to maintain a balance among several relationships. Production is to be raised by increasing worker enthusiasm through political education, but successful education depends on worker confidence in the unions and the Party, which is in turn contingent on proficient political education but also on the way the workers are treated and remunerated, the general fulfillment of Party promises, the efficacy of the unions,
etc. The key to this balance has been the cadre. Without maximum effort by competent and dedicated cadres the balance cannot be approximated, but competent cadres have been few and their tasks overwhelming.

At the same time, accusations against lower functionaries may also be used to cover mistakes or changes in policy by the Party leadership. When mistakes have been made or policies changed, the onus has been officially directed either at "counterrevolutionary" sabotage or at cadres accused of bureaucratism or economism. The cadres involved may be guilty of the mistakes ascribed to them, but they may have been following Party policy at the time. The corrective for mistakes has invariably been a combination of increased Party control from above and increased mass supervision from below. The two sides of this prescription may appear contradictory, but they are not. The concept of mass supervision provides the Party with a means of enlisting the masses on its side and of criticizing union cadres in the name of the mass line. In a similar way, the prescribed remedy for mistakes by Party cadres has been increased mass initiative together with increased central Party control.

These trends are, of course, not always clear-cut. Economism and bureaucratism are not opposite extremes. At times some unions have been criticized for economism while others have been under attack for bureaucratism or both. Cadres have tended to swing from one deviation to another in response to criticism from above. But the patterns are quite clear. The role assigned to unions makes them consistently susceptible to certain types of actual mistakes or deviations from Party intentions. It also makes them consistently susceptible to playing the role of scapegoat.

Effective performance of the transmission belt function of the unions depends on effective political education. In one direction the unions transmit Party policies and directives to the workers, together with explanations of the broader political significance of those policies within the Party's general line. The
workers are also organized to propagate and implement Party programs for other social groups, like attacks on class enemies.

At the same time, the political consciousness of the workers is an "objective condition" that must be considered in the formulation of policy. It is particularly important in assessing the feasibility of policies involving major social changes or that otherwise depend on participation by the masses. But the Party must lead the masses, not follow them, and must constantly raise their political consciousness.

This relationship is expressed in the leadership concept of the mass line. As an operational concept the mass line depends on three assumptions. First, to fulfill their leadership role successfully, Party leaders must maintain constant contact with the masses. Second, since the Party has superior wisdom and experience as the vanguard of the proletariat, the Party alone knows the long-term, collective interests of the people as a whole. Third, while the Party must use persuasion and education rather than coercion in taking its policies to the masses, it is the Party that must lead. Active mass participation is called for, but it consists of executing rather than formulating or controlling policy. In Mao's words, "we must teach the masses clearly what we have received from them confusedly."

Political Education and Production

Political education has permeated all functions of Chinese trade unions. Production emulation campaigns have been the main classroom, but almost all union activities have involved political education in one way or another. While the Party played an increasingly important role in political education after the early fifties, the unions have consistently provided the organizational framework. A major reason for attempting to increase union membership has been that workers outside the union system do not receive the systematic education that can be applied through the union
apparatus.

Perhaps the most important part of the apparatus, in the unions as in China in general, has been the small group. Franz Schurmann has argued that a major organizational contrast between the Soviet Union and China has been the contrast between individuation and collectivization. In his view, the Soviet system tended toward individual atomization suited to control, while the Chinese system has tended toward small-group atomization, suited to persuasion, indoctrination and activization.²⁰

In addition to daily efforts at practical political education, the unions also conducted courses in the histories of the Party and the Chinese labor movement, Marxism-Leninism, and the thought of Mao Tse-tung as part of a major spare-time education program.²¹ The schedule of one model factory was published in 1953 as an example for other factories. All workers spent three hours of class time each week studying the current mass propaganda campaign and two hours per week on Marxist-Leninist ideology.²² It is doubtful, however, that this ideal was often attained on a regular basis in many factories. With the advent of one-man management and concurrent emphasis on labor discipline over political education, practice increasingly deviated from the model. A move to restore the program began in late 1956 and early 1957, only to be interrupted again by the Great Leap Forward. Another attempt to reestablish systematic classroom programs during the early sixties was interrupted by the Socialist Education Movement and the Cultural Revolution during which many hours were devoted to ideological study, but the subject matter had changed to Mao's thoughts.

Even more important than the tension between in-class and "living" or practical learning, but not unrelated to it, has been the tension between the two major themes of political education noted above. On the one hand, political education has been designed to communize Chinese workers to an acceptance of the ideology or world view of Marxism-Leninism as interpreted by Mao
Tse-tung. On the other hand, political education has also been designed to socialize the Chinese workers to an acceptance of the Communist regime and its nationalistic and industrialization goals and programs.

Theoretically, of course, the two themes are intimately related, and even in practice they overlap considerably. But during the Great Leap Forward and the Cultural Revolution the potential dichotomy between them became evident when the Party's leaders disagreed over the issue of politics versus professionalism. Much of the divergence stems from the relationship between political education and production. The attempt to industrialize and communize simultaneously creates a conflict over the relative priorities of those two goals insofar as they are incompatible. That conflict has been evident in differences of opinion within the Party leadership. Labor incentive policy embodies the convergence of political education and production mobilization, and therefore also provides a concrete example of that conflict.

Like the Soviets, the Chinese have employed an incentive system in which material and nonmaterial rewards are combined. In basic outline the Chinese wage system has copied the Soviet system of standard wage grades. Wage standards for each grade are centrally determined, primarily on the criteria of establishing incentives for increased effort and skill-attainment, and of total wage funds available for distribution. As in the Soviet Union, the availability of consumer goods has been an important consideration in the total wage bill and the general effectiveness of material incentives.

The Chinese system of nonmaterial or contributive incentives has also generally followed the Soviet system of individual and group competitive emulation campaigns and the awarding of honorific titles to individual workers and production groups. The awards are often accompanied by a cash bonus and other material advantages. For example, workers designated as "model," "advanced," and similar
terms receive more liberal insurance benefits than other workers. Also, almost all workers chosen for Party membership and/or promotion to cadre status or administrative positions have been either model workers or worker activists.25

If the Chinese incentive system has copied the Soviet model in outline, however, it has differed in detail and in style. Communist theory posits the superiority of various forms of contributive incentives over the "capitalistic" incentive of individual wages. Ideally, the communist worker contributes his labor freely to the collective and receives from it a stipend adequate to his needs. In practice, both the Chinese and Soviet leaders have deemed individual material incentives necessary. Expressed in theoretical terms, these countries are considered to be in a socialist rather than communist stage of development, and the "correct" wage policy for that stage is remuneration according to labor rather than according to need.26

The Russian answer to the problem of work incentives under conditions of economic scarcity was a combination of material incentives, contributive incentives and compulsion. The essential features of the Soviet system of material incentives—progressive piece wages and very sharp wage differentials—were contrary to the egalitarian wage policy favored by many of the union leaders purged in 1928-1929 and to the assumptions of Marxist theory about the solidarity of the working class under a socialist regime. In addition, the Soviet system of contributive incentives was a modified system at best. It included symbolic rewards and appeals to patriotism and other collective values, but the heart of the system was Stakhanovism and "socialist competition." Both were based on competition rather than collectivity, and both were tied to monetary incentives.28 The entire incentive policy, in fact, focused on "leading groups" of workers, such as the Stakhanovites, who were able to benefit from very steep piece-wage differentials and who were basically rate-busters. Wage increases received by
most workers were more than offset by inflation, so that real wages for all Soviet nonagricultural wage-earners declined steadily from 1928 to about 1950.\textsuperscript{28}

The Chinese Communists have also recognized the need for remuneration on the basis of work done as long as all Chinese workers are not Communists. During most periods since 1949 they have argued, in fact, that attention to workers' welfare was a prerequisite for effective political education. Only twice, during the Great Leap Forward and during the Cultural Revolution, have they actually rejected material incentives. But throughout the twenty years of their regime, they have emphasized much more than the Russians the cooperative aspects of emulation and the need to combine emulation with political education. They have also used piece wages on a much smaller scale than the Soviets and have based their emulation programs much more on production groups than on individuals.

These differences from the Soviet model have been consistent, but the tensions and changes in emphasis have continued. There are obvious advantages to an effective system of non-material labor incentives. Under conditions of limited capital and a limited consumer market, it is a valuable supplement to total wage allocations. It may also provide a degree of labor discipline that cannot be achieved by wage incentives. It is especially conducive to quality control because it does not encourage workers to find shortcuts that reduce their own work effort at the expense of co-workers and the whole production process. Most importantly, an incentive policy based on competition for material rewards is of course, incompatible with communist education but rather compatible with political education aimed at traditional socialization and thus conducive to socialization efforts.

The success of persuasive exhortation and other non-material incentives is conditional. It will depend for effectiveness on the workers' view of their own position in society. That view will be influenced by the degree of technical skill and general
education of the work force, the ability of the workers to influence trade union policies, union effectiveness in the society at large, and not least, by the level of worker remuneration.

Contributive incentives are therefore likely to be much more effective for stimulating marginal productivity than as the basic method of creating labor discipline unless a total conversion of worker views on work and remuneration can be achieved. In addition, at some point in the industrialization process labor productivity becomes primarily a function of industrial technology, mechanization and rationalization rather than labor discipline or intensification of labor. In the long run, political education can only supplement but not replace technology. This conflict within the Chinese incentive policy reflects the broader conflicts over Chinese labor and general industrial policy.

Administrative Functions of Chinese Trade Unions

Lenin called Soviet trade unions schools of management and schools of administration, ostensibly looking toward a future when the workers could manage industrial enterprises and even the state itself. This idea was soon abandoned by Stalin, but it has not been entirely abandoned in China. More importantly, the Chinese have been committed to active worker participation in the factories as much for its socialization and political education value as for administrative training. They have, for example, periodically attempted to establish meaningful roles for factory workers' conferences, under the guidance of both Party and union, even if such attempts have been short-lived.

Moreover, the unions have consistently administered industrial welfare programs, taking up much of their time and energy, and have attempted to engage large numbers of worker activists in these programs. The unions have also played a peripheral role in programs for general and technical education for the workers and have performed other administrative roles at various times. The unions
have actively participated in a large variety of administrative programs and also mobilized the workers for participation. This also has served the Party by relieving it of various administrative chores. In sum, there has been in China a desire for active worker participation in the factories and in the state that contrasts sharply with the spirit of control that prevailed in the Soviet Union.

A major task in which the unions did not participate was the allocation of labor, attended to by Labor Bureaus under the Ministry of Labor. In contrast to the unions whose roles and functions were primarily internal to the factories, the Labor Bureaus formally mediated labor-management relations above the factory level and oversaw various labor regulations, such as those pertaining to working conditions. By 1957, however, as industry was socialized and the Party became increasingly committed to complete control over labor allocation, the Bureaus' primary functions were supervision of unemployment and labor assignment policies.29