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单位

Work Unit

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The work unit (*danwei*) was the quintessential urban institution of Chinese state socialism. For the generations living through the 1950s to the 1970s, the work unit was much more than simply a workplace. Most aspects of people's lives were deeply embedded in, and intimately connected to, a *danwei*, which structured not only their work, but also their benefits, housing, movement, and often their behaviour and thoughts. For many of them, the structural reform and closure of the work units in the 1980s and 1990s proved to be a traumatic experience, upending not only the certainties associated with lifelong employment and guaranteed incomes—the so-called 'iron rice bowl' (*tiefanwan*)—but in many cases also tearing apart the social fabric of their entire communities. However, to the surprise of many observers, and in contrast to the global trend of neoliberalism, some *danwei* have not only survived the demise of state socialism, but prospered in postsocialist China—reorganised into the powerful conglomerates known as 'central enterprises' (*yangqi*) that today dominate strategic sections of the Chinese economy.

The Building Block of State Socialism

Taken literally, *danwei* means 'unit,' shorthand for 'work unit' (*gongzuo danwei*). Aptly named, it constituted the basic building block of economic organisation in urban China during the Mao era. In its broadest sense, *danwei* encompasses a diverse range of institutions, including industrial factories, public institutions such as schools and hospitals, government departments, and other workplaces. Among them, the industrial work units, especially those in heavy industry, stand out as the prototype of the socialist workplace and were privileged over all others for their role in building socialism through their contribution to state-led industrialisation. Despite the post-

Mao reforms, the term has remained part of daily vocabulary; it is not uncommon for people to refer to their workplace as a *danwei*, even though the *danwei* of today barely resembles its predecessor from the Mao era.

As an institution of social and industrial organisation, work units emerged in the late 1950s, after the new state nationalised industries and pursued centralised economic planning and heavy industrialisation under the First Five-year Plan. It thus has been identified closely with both the Chinese state and its model of state socialism. But the *danwei* did not emerge from thin air. Aspects of the *danwei*, such as its functions and its authority relations, can be traced back to institutions of the first half of the twentieth century. From this perspective, rather than being an entirely new post-1949 socialist creation, multiple historical origins of the *danwei*—or at least close parallels—can be located in pre-communist financial institutions in the Republican era of the 1930s, in the labour movement led by skilled artisans between the 1920s and 1940s, in the rural revolutionary models of organisation in the communist base areas in the 1940s, and in the dominant communist industrial model available at the time: the Soviet industrial organisation.¹ What emerged in the 1950s can thus be seen as a composite institution that borrowed from a range of communist and non-communist sources.²

Despite the resemblances to a variety of institutions across time and space, the formation of the *danwei* in the Mao era represents something distinct. It simultaneously served as an economic, social, and political-ideological institution. To elaborate on a classic formulation of its functions, the work unit may be best understood as combining an economic role within a centrally planned economy by supplying public goods, services, and commodities; a non-market redistributive social role by administering labour insurance and social security provisions to employees; and a political role by representing and managing the interests of workers.³ In addition to this, we may also emphasise the ideological role of the *danwei* in monitoring and moulding workers' thoughts and behaviours in accordance with the official ideology, and mobilising employees for political campaigns.

This configuration of the work units reflects a non-capitalist form of social and economic organisation. In Chinese state socialism, economic relations were socially embedded in, and organised by, political institutions of the Party-state, rather than mediated by the market. These political institutions determined and regulated economic exchanges between economic units, as well as between economic units and individuals. According to Karl Polanyi, in a socially embedded economy, economic activity and the market operate within social institutions rather than social institutions being dominated by the market.⁴ Chinese state socialism is an extreme variant of such embedded economies. In work units, labour was not commodified: workers did not sell their labour power in a labour market as a commodity. Instead, labour was socially, as well as physically, embedded in the institution of the *danwei*. Workers' life-chances were neither determined by, nor dependent on, the market, but on the state and bureaucratic apparatus, and on the priorities governing the *danwei* and society at large. This held mixed blessings.

A Hidden Abode of Coercion and Exploitation

In the work unit, non-capitalist social relations did not necessarily mean freedom from exploitation or coercion. Production processes in the industrial work units were hardly distinguishable from their counterparts in capitalist economies. Indeed, although everything else seemed to change around it, little needed to be reorganised in the production processes during the reform of the work units in the 1980s and 1990s. Even without management by capitalist bosses, workers in the *danwei* were under dual pressure from leaders who acted both as managers of a productive enterprise and political leaders enforcing political control and ideological norms. Furthermore, the lifetime tenure and the comprehensive benefits only ever applied to the core, permanent employees. While *danwei* did provide employment security, they also tied workers to their units. Jobs were assigned and employees were bound to their *danwei*, unable to voluntarily leave unless they obtained permission.

Moreover, substantive workplace democracy did not exist in the *danwei*. The trade unions from the 1950s onwards were tamed and subservient to the needs of economic efficiency (see Franceschini's essay in the present volume). The supposed organ of workplace democracy, the Staff and Workers' Representative Congress (*zhigong daibiao dahui*), ostensibly designed for employee consultations, rarely functioned as a mechanism of worker self-management.⁵ This is not to say that there were no constraints on leadership, or that workers could not exercise some degree of control. The state socialist ethos that privileged the historical role of the working class set limits on the disciplining and firing of workers by work unit leaders. What emerged in the *danwei* was a form of paternalism in which workers were dependent on their work units and management.⁶

Despite the high level of control in work units, it would be wrong to assume that there was never organised dissent. Throughout the Mao era, at least some groups of workers took advantage of political opportunities to raise their voices and, in some instances, pose serious challenges to both managers and Party leaders. Strikes and worker-led protests erupted in the mid-1950s during the Anti-rightist Campaign, then again during the Cultural Revolution (most prominently in Shanghai), and yet again in the wake of Mao's death.⁷ These groups demanded both economic improvement and a degree of political democracy. But the state ultimately proved to be intolerant of, and too powerful for, any independent organisation of workers against the authorities, and repeatedly crushed all such movements. By the end of the Mao era, despite their previously elevated symbolic status and economic position, workers lacked their own industrial and political organisations, and were ill-prepared for the subsequent reforms that would weaken their economic and social positions through the restructuring of the *danwei*.

From Work Units to National Champions

China's economic reforms fundamentally dismantled work units as an institution of state socialism. The state partially withdrew from direct control of the *danwei*, separating politics from economic management, and subjecting work units to competitive market pressures.⁸ Never designed to be an economic institution that

could compete in a market economy, in the 1990s, many *danwei* went bankrupt, closed down, or were privatised. The work units that survived onslaught—often with a heavy dose of state support—still had to undergo internal restructuring that fundamentally changed how they operated, and what it meant to work for them. Lifetime employment was replaced by employment contracts, in a process of a progressive commodification of labour. Management became considerably more coercive toward workers. The state came to maintain control over labour relations in work units only indirectly, by means of industrial and labour policies and legislation, with much less direct intervention over the economy and society in general.⁹ The paternalism and organised dependency characteristic of the *danwei* in the Mao era was disrupted, with a more disorganised and despotic set of relations taking hold in the process of reform.¹⁰

What remains of the work unit today? The *danwei* has been transformed from an all-encompassing social, economic, and political-ideological institution embedded in a planned economy to a primarily economic institution. But those that remain state-owned and managed by state agencies—such as the State-owned Assets Supervision and Administration Commission of the State Council—continue to serve the goals of the Party-state, and often receive preferential treatment and protection. There are also some traces of the former paternalism. In general, contemporary work units provide better employment benefits and job security in strategic sectors than their counterparts in the private sector, but have also sharply increased the use of casual workers. It remains difficult for management to arbitrarily dismiss employees, and the state acts to intervene to protect these units from market pressures—albeit, to varying degrees depending on the significance of the units and sectors. For these reasons, the new work unit has been compared to the organisation-oriented, ‘enterprise as community’ Japanese employment system,¹¹ and the current formation is a result of a state-led strategy to turn *danwei* into national champions based on the model of the South Korean developmental state. As such, the largest work units, regrouped as central state-owned enterprises (*yangqi*), are some of the most dominant companies with monopolistic power in China. Four decades after the end of state socialism, the new work units continue to be central to the Chinese economy, and are developing global reach, contributing to China’s global strategy of infrastructure building and resource extraction. Yet, the *danwei* of state socialism is increasingly fading into the distance.

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