

'What work unit are you from?' asks the DJ at the beginning of a Chinese radio show. 'Would it be okay if I just told you my identity card number', replies the young listener. So begins the article by Zhu Huaxin in this collection. It is a beginning that, in relation to this collection as a whole, quite overtly refers back to things already examined (identity cards and forms of identity) and forward to things about to be examined (the move out of the work unit system). At a deeper level, it also points to issues already covered. The article 'From work unit person to social person' illustrates the power of the name, the fear of identity, or, as Zhu reads it, the changing forms of subjectivity in China. Such changes do, of course, resonate throughout this volume.

What Zhu makes explicit is the changing nature of subjectivity in China brought on by the reform of the work unit system. These changes, he notes, are 'signalled' by 'little things' such as offering a number rather than a name, or considering oneself a social being rather than 'a work unit person'. These 'little changes' may not appear all that significant, but they are, in fact, of the greatest import as they are 'markers' of a changing sense of self among Chinese.

In this chapter, the move out of the once-ubiquitous work unit system is highlighted through an examination of the 'one family, two systems' model. To appreciate the significance of this 'little thing' requires an understanding of the importance of the work unit in the daily life of ordinary Chinese. Its importance goes well beyond material considerations and centres on the psychological and even spiritual support it brings to daily life. As previously noted, work unit life has been ordered by and built upon (radically modified) traditional forms of living. Herein lies both the original strength of the work unit and the dilemma that this form of social organisation now poses for reformers.

Economic reform demands of production units that they be assessed purely on economic grounds. The clan-like structure of the work unit militates against this. Work units operate by blurring the lines between economics, politics and social and moral issues. The work unit is, in this sense, more oeconomic than economic for it is tied to a moral and economic order. As economic reforms increasingly require the separation of these various domains, the once tight, organic, unified system of the work unit is broken down and the result is a shift in personal commitments away from the unit and toward broader society. It is a shift that Zhu celebrates but, such celebrations, I would argue, are premature.

While Zhu traces the shift away from the work unit tradition he studiously ignores the fact that 'vapour trails' of tradition—which Lu Feng (Part I, 2) earlier suggested transformed the work unit into a lineage-like organisation—are far more resilient than the work unit itself. Hence, the decline of the work unit is not

coterminous with the 'end of history'. The lineage-based reciprocity inadvertently encouraged by the socialist work unit has, to my mind, not been extinguished by economic reform. Indeed, it has been one of the few aspects of work unit life temporarily woven into the social fabric of post-reform China. The collectivism and mutuality the work unit encouraged, and which acted as a 'tell-tale sign' of their lineage-like nature, is mimetically transformed rather than obliterated by the reform process and now takes a more petite and traditional form. This petite form of collectivist mutuality is familialism and it re-emerges as **one member of the family leaves the unit to make money in private enterprise while the other remains in the unit to secure the on-going benefits**. It is summed up in the new popular slogan 'one family, two systems' which is briefly examined by Zhu Huaxin, and dealt with in detail in the interview with Hu Lianpin. What is striking about the benefits Hu Lianpin describes as flowing from 'one family, two systems' is that they are not purely material but are **strongly relational and dependent upon the 'social network' her husband can employ by staying in his current position**. If one recalls Lu Feng's critique of the work unit structure (Part I, 2), it will be remembered that he suggests they reproduce the conditions under which 'relational networks' or *guanxi*, similar to those of the lineage group, are built up. What Hu's interview suggests is that 'relational networks' or *guanxi* may be substantially more enduring than the work unit structure.

Economic reform does not abolish the old, it dreams it anew and mimetically expresses it in different forms. Yet these different expressions of the familialist tradition do have consequences and may, in fact, be harbingers of a new and radically different way of life. After all, this new 'system' does enable family members to depart from the chrysalis of the work unit and engage in market activity while still feeling spiritually and materially secure. It is as though the 'head' of capitalism has emerged from the work unit cocoon and this 'head' is now supported by a family body that remains behind, and draws strength and resources from, the vestiges of the socialist work unit system. It is as though the work unit acts, in Marx's words, as its own grave digger.



#### FROM A 'PERSON OF THE WORK UNIT' TO A 'SOCIAL PERSON': PSYCHOLOGICAL EVOLUTION UNDER THE IMPACT OF REFORM<sup>1</sup>

ZHU HUAXIN

In the music shows on the radio you often hear the disc jockey asking listeners who, with enormous difficulty, have phoned in: 'What work unit are you (from)?' The lucky listener, all too often some young kid, quite deliberately attempts, albeit in a very polite way, to twist the answer around a bit: 'Would it be okay if I just told you my identity card number?'

<sup>1</sup> Zhu Huaxin, 'From 'a person of the work unit' to a 'social person': psychological evolution under the impact of reform', *People's Daily*, 14 December 1993, 11. [祝华新, 《人民日报》.]

This sort of thing may appear unintentional but it has, in reality, great sociological significance. It demonstrates that, for quite a few of the youngsters of the current generation, the individual work unit consciousness has weakened and a social consciousness has become stronger, indicating the gradual transition from the person of the work unit to the social person.

Under the traditional system, the work unit was an 'iron rice bowl' and a 'big pot', that is, the work unit guaranteed life-long tenure of employment and a wage more or less similar to all other members. Once a person had achieved this status there was nothing more to demand. While you were alive, you were a person of the work unit, in death you were its ghost and the work unit would organise a memorial meeting for you. In this way, the workers not only became loyal and faithful to their work units, but also grew to depend upon them in a trusting and nurturing relationship. A couple of years ago, the sociology research unit of the Academy of Social Sciences in Beijing carried out a detailed sample survey of residents in 30 cities scattered across China. One of the questions asked was: which of the items listed below do you regard as being the responsibility of your work unit? Of those surveyed 97.5 per cent suggested that work units had a responsibility to provide medical insurance, 96.6 per cent thought they should be responsible for pensions, and 91.8 per cent thought they ought to arrange their workers' housing. In addition to this, the supply of daily life requirements, mediation of quarrels and arranging the schooling and employment of a member's children was thought to be an important responsibility of the units by 86.7 per cent, 85.9 per cent and 82.3 per cent of respondents respectively. What was really strange about the survey, however, was the fact that 45.1 per cent of those questioned believed it was the responsibility of the work unit to take care of its employees' divorce proceedings should the need arise! Little wonder, then, that people would quip: the work unit dotes on its employees so much so that it hampers the individual's ability to grow.

Sun Liping, an associate professor at Beijing University's Sociology Department, thinks that there is an inevitable historical stage in the very early period of the process of industrialisation that requires the work unit system. This enables the state to mobilise human and material resources and to concentrate them in key places. From the late Qing Dynasty onwards, China's finances were in a pitiful state and social resources were rapidly being dispersed. Because China was like 'a sheet of loose sand', no lead was given to industrialisation and, consequently, the process was extremely slow and society was in fear of complete chaos.

Much later, however, and under the influence of a new form of market economy, the work unit system has increasingly been shown to be too inflexible. One aspect of this inflexibility is that it limits the possibility of growth. The work unit is not independent but relies on the State to allocate money, finances and materials. It does not fear losses because these are subsidised by the State. With market economics, there are laws to distinguish the superior from the inferior and the successful from those to be deleted. Despite this, however, the work unit is 'not dead'. Another aspect of inflexibility relates to the way that an individual's own

possibilities are contingent upon the work unit. This leads to a whole range of things such as a lack of independence on the part of unit members. It also leads to a growth of too much egalitarianism and no financial incentives being offered for work undertaken. In relation to 'go slows' or workers lacking discipline, little can be done within the work unit for, ordinarily, the unit leaders lack the authority to dismiss personnel.

### The Psychological Pressure on Work Unit Personnel

There is little doubt that reform will be of benefit to the entire nation and all its citizens. Nevertheless, when one examines concrete items of systemic reform such as labour utilisation, wages, housing and state-supplied medical care etc., it is also obvious that some people will miss out on certain benefits. Many of those who are employed in the work unit system will, in the process of reform, be forced to pay a certain cost. While people generally support reform, they simultaneously worry about personal gains and losses and have significant doubts and even conflicting feelings about the reform process.

Wu Zhongmin, a professor of sociology in Shandong University, has analysed this problem and suggested that economic reform has so far failed to really carry out measures to change the 'complete dependence on the work unit' and also the 'complete equality with regards to the distribution of resources to all work units, regardless of the different demands of each work unit'. The rather hazy notion of public ownership has been transformed into work unit ownership. To ensure that their workers' benefits are given quickly and money given to benefit them, the work unit has used a variety of means to offer bonuses and material benefits, squeezing the money out by allowing equipment depreciation and drawing from technology transformation funds. There is no desire to abandon vested interests in the strategy known as 'policy above' and 'counter-attack on policy from below'. The 'counter-attack on policy from below' is essential to let work units carry on as normal. Professor Wu warned that: 'at present, employees' insurance and welfare funds are a percentage of their total wage, the average income level of employees is at its highest point since liberation. We need to think about regulating this kind of abnormal benefit structure. It is quite possible that within the work unit though, any such strategy to bring about change will encounter a certain kind of "colony of resistance."'

To avoid this kind of resistance, work units should be slowly disbanded. The Party and government need to bring into play their political skills and do the necessary ideological work. The bottom line is, however, a new organisational form needs to be created.

### The Significance of the Modern Enterprise System

From a technical perspective, large numbers of work units in China are well endowed with modern equipment and form part of the large-scale socialised production process. As a result of a tightly closed organisational form, however,

work units tend to be inward looking and not very socially orientated. The goal of the Third Plenum of the Fourteenth Central Committee of the Chinese Communist Party was to initiate the reform of public ownership so as to establish a modern enterprise system. One aspect of this reform was to create good relations between enterprises and the State and realise a legal separation of ownership. The other aspect of this reform was to smooth out relations between enterprises and workers. On the last point, Professor Li Hanlin of the Sociology Research Unit within the Academy of Social Sciences has some interesting ideas to offer about the reform process:

1. In the contemporary work unit, the relations between the unit and its workers can be governed by a labour contract. The granting of a right of movement to workers will also enable the work unit to adopt best practice and become a superior organisation. This reform is needed in order to gradually establish the labour market.
2. The enterprise is clearly designed to operate only as a site of production and not as a welfare institution. Therefore, the non-production-orientated function of the contemporary work unit should be separated off and returned to the social sphere. In recent years, the work unit has increasingly operated as though it were a society. In the past, providing accommodation for workers relied upon state investment. These days, work units build their own accommodation with funds that principally emanate from the unit itself. In some work units, on average, one worker bears the cost of the pension of one or two retired employees. Work units cannot possibly bear the costs of such a heavy burden and they are financially crippled as a result.
3. In the contemporary enterprise system, enterprises are principally responsible for the production activity of their employees. They play little or no part in their after-work activities which are governed by society. In order to appropriately adjust to this gap created by the withdrawal of the work unit from this arena, it is important to put in place a comprehensive system of social management. We need to modernise our social control and management methods. That is to say, the State, operating through the work unit, must gradually transform the methods by which employees are managed and give up the State monopoly over the productive forces. In this way, State control will operate through the legal controls over citizens but ethical regulation will be a social matter.

A key issue here, however, is how to kill off the work unit system and eliminate all the irrational social burdens which are borne by enterprises. Naturally, the reform of the enterprise system is an unavoidable task. The enterprise reforms must be genuine. A superficial reform would be worse than useless. As the sociologist Lu Feng pointed out: 'If the enterprise is still of an old form with the status of members frozen and profits being shared in common, then this is really little different from the old work unit.' (See also Part I, 2.)

### Those without Work Units

After economic reform took hold, changes swept through the work unit and led to many 'people without work units'. Outside the traditional (work unit) system, these people still managed to make a living with much ease and grace. Professor Li Hanlin explained that because of the collapse of the monopoly once enjoyed by the work unit over social resources, a fair proportion of the resources and opportunities ended up flowing into civil society and this, in turn, produced many 'spaces of free activity'. From the rusticated youths sent down to the countryside, who have subsequently returned and set up stalls and opened snack bars in the city, through to the rows and rows of 'high-tech' companies that line the streets of a suburb like Zhongguancun, from the 'three types of capitalised enterprises'<sup>2</sup> through to the large-scale private companies and famous individual cultural workers, many have broken away from their original work unit and re-established themselves with a definite independent status. Despite the fact that many private companies are still really subsidiaries of State companies, it should be pointed out that they are no longer simply sub-sections of their work unit owner. In fact, they have significantly decreased their reliance upon their work unit owner and, in the cut and thrust of the market economy, their ability and market-orientated consciousness has enabled them to stand independently and bear the brunt of the market forces on their own.

Nevertheless, over a very long period of time, many people who have left the work unit system have found the going very tough, very lonely and the outlook bleak. One former cadre from a very large enterprise named Xiao Zhang set up a business soon after his retirement. Nevertheless, he always seemed to be spending time chatting with his former colleagues back at the work unit. It was only in this way that he could maintain his 'sense of belonging'. And then there are those people who are really unhappy with their work units but, when it comes to facing the possibility of transfer, realise the benefits of it. Things such as housing, cadre status and public health care would be lost if they moved into the private sector and this sends a shiver down their spine. Of significance is the emergence, in recent years, of a special Chinese characteristic 'one family, two systems' (*yijia liangzhi*). Either the husband or wife leaves their unit in order to make money. The other partner continues to work in the work unit and continues to enjoy all sorts of State benefits. One even finds some of the more famous 'individual writers' joking about it, saying that although they themselves don't have a work unit to rely on, they can always get their wife's work unit medical form when they are sick. Even though the salary is very low in the work unit, it is at least stable. Outside the work unit one is 'at sea', and even though the opportunities are great, it is not easy to make a killing. 'One family, two systems' has a cooperative function that aptly expresses and reflects the contradictory state of mind of the

2 That is, joint venture capital, state capital and private capital.

present Chinese under conditions of both market economics and the plan. On the one hand, they want to make lots of money and yet, on the other, they also want stability. It is as though they want to have their cake and eat it too.



## 'ONE FAMILY, TWO SYSTEMS'

An Interview with HU LIANPIN

Hu Lianpin's story offers an interesting variant on the 'one family, two systems' model. Unlike many of the cases explored in the literature, the principal benefit she derives from this arrangement is relational, not material. The symbolic capital she derives from this arrangement via her husband's position and status in the Public Security Bureau is the key to her success and is far more significant than any material amenities his work unit provides, although the unit does take care of this facet of their lives also. Indeed, it could be argued that this case demonstrates the way in which this system is not restricted to one class but is flexible enough to cover a range of classes and conditions. Here is an edited version of an interview I undertook with her on 21 January 1995.



*MD: I am interested in the 'one family, two systems' model and I understand your family has divided up the family labour in this way. Can you tell me a little about your own history?*

**Hu:** I was originally an associate professor at the China Political Science and Law Cadre Management Institute. I subsequently left that position and became a lawyer in a private practice along with two friends. My husband works in the Public Security Bureau where he is a section head. We have a son who is now eight years old. Neither my husband nor I are natives of Beijing. We both come from the south and only came to Beijing when we were accepted into universities here.

*Can you explain the reasons behind your decision to 'go to sea'—leave your safe State job and go into business?*

It was quite an easy decision but it wasn't simply the money. I was actually a very good teacher at the Institute. The problem is that in China today, those who choose to remain on the scholarly path will face the prospect of being poor their entire lives. That is not a problem, in itself, but it has increasingly begun to affect the psychological state of a lot of scholars. They feel undervalued. Society obviously plays a crucial role in influencing one's perceptions of oneself. Through social interaction we are given 'face' and respect, we are seen to be in demand, are given power and gain relaxation. These days, if you have money the rest tends to follow. Money has become the symbol of success. In the past, while I was a teacher I was pretty poor, but I really didn't mind because I felt I had a respected social role and a respected social position. Increasingly though, I began to realise that this was not the case. As a teacher I neither had money nor respect. What

was the point in remaining a teacher? In addition to this, things were not all that rosy in my department either. I had this on-going conflict with some colleagues and that made my time there pretty miserable. I thought, what was the point of this struggle which was really for nought? I really could do with the money so I thought why not leave and become a lawyer? And this is exactly what I did.

*Before leaving the institution, didn't you think about the consequent loss of amenities like the free housing and medical care the State organ offered you?*

No, not at all. After all, my husband still worked in a State organ and they had supplied the most precious of things to us anyway: a flat. So that aspect was not really much of a consideration. It is really hard to think what aspect of the Institute I was worried about when I left my old work unit. Frankly speaking, I was simply scared about the security. As a lawyer, I was simply worried I would not make a good fist of the partnership and I would not make any money. I was pretty confident though because my area of expertise was company law and I had taught that for quite a while. This was an area in hot demand in private enterprise and I had freelanced in this area before so I already had a number of contacts. Also, it has to be said that my husband's connections have helped a lot.

*You have been in private practice now for nearly a year. Are you making much more than you did as a teacher?*

Oh yes. I am making an amount many times over my university wage.

*Your husband is a middle-level and reasonably successful official in the Ministry of Public Security. Has his position within the Ministry aided you in your work?*

Oh yes! My husband can give me enormous help because we are in related areas and he meets lots of people and has lots of friends through his work. Because of his extensive friendship and colleague network I can get a lot of help to further cases I am working on. I can also find out and chase some cases that are coming up and may be worth quite a lot of money to me. In addition to this, I can also avoid a lot of problems in conducting my own investigations. Because of my husband's friends and position, I don't get hassled in the way others might. Put simply, if a person knows who I am related to, then they are unlikely to give me too much trouble but are instead likely to show me respect and allow me to get on with my job.

*So you are pretty happy with your change of career?*

Most definitely. I make much more money and that was a crucial factor in my decision so I have at least attained that end. I find a lot of other teachers at universities are envious but are still too timid to follow my lead. I guess that makes me feel good also!