

**Reform and destiny of Chinese workers—Investigative report on reforms carried out by the  
Jiangsu Tongyu Group**

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Abstract: In the early morning of 26 July 2004, thousands of workers from Jiangsu Tongyu Textile Group started a strike and began to demonstrate in the Southern part of Yangzhou city. As a result of their actions, state highway 328 was blocked, the gates of the municipal government building came under attack, southbound transportation was interrupted and production in the factory ceased for ten days. The workers' actions were appeased even though the group put into effect its reforms and laid off more than 1000 workers, but some workers' representatives continued to appeal to the higher authorities for help with the hardship they faced in their work and their lives as a consequence of the reforms. What exactly were these reforms and why were workers and staff of the factory so deeply hostile to them? Could the reforms of state-owned enterprises (SOEs) provide the impetus for local economic development if they are carried out according to the present general reform model? Having carried out two surveys, the author reached a number of conclusions about the Tongyu Group's reform process. The problems faced by the group were very typical of those faced by China's state-owned enterprises as they underwent reforms. Since the late 1990s, neoliberalism has become a central issue in the reforms of SOEs, and to a certain extent has influenced and even decided their course. The author puts forward his own opinions based on his criticism of neoliberalism: first, a market economy is not established spontaneously and the economic inequalities resulting from it are in fact the reflection of existing political inequalities. In the course of the present market reforms, Chinese workers must establish their own political force by means of trade unions and legal representatives able to defend their rights and interests. Second, the present privatisation does not protect public assets, neither the private ones. It merely legalizes the expropriation of public assets by a few small groups. Third, the so-called civilian society created through this type of market economy with property rights does not provide any preconditions for democracy. This is because a "civilian society" that is based on depriving workers of their fundamental rights is nothing but a precursor of new social tyranny. Based on these analyses, the author believes that the following guidance should be taken into considerations in the reforms and actions oriented for social equality and popular democracy: economic inequalities resulting from market expansion are closely linked to political and cultural inequalities, thus, the demands for freedom and for equality should not be opposed to each other. Furthermore, economic development is always rooted in a broad political, cultural and social base. The pursuit of fair market competition

does not mean having to break away from state, social and legal regulating mechanisms. In this sense, the key issue is not the withdrawal of the state, but how, through democracy and law, the state may be prevented from becoming the protector of a national and transnational monopoly.

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