

Background: (6/23/84, 3 hrs)

He was sent down to the countryside from Canton during the CR. Recruiters from urban factories came down to the countryside in the 1970s to get new workers from among the sent-down youth. You had to go through the back door to get a job, or get one of the better ones. You either got someone in the city to pull strings with the factory on your behalf, or you send gifts to the cadres in the commune. Each brigade and team had a quota of people they could nominate; they looked at biao xian and had meetings to nominate them.

He worked as a skilled worker in the Canton bicycle factory from 1975 to 1982. He worked on the production line of a workshop the entire time. There were over 200 people in his shop. After one year he was put to work as a helper in the shop office. He handled production scheduling (diaodu, also translates as dispatching). He handled the flow of production, the flow of materials and tools, inspection of the quality of the products. This was a full-time job. He was still a worker, in fact was a worker in grade the whole time. They needed more help in the office and he got along well personally with the shop director. This was full time office work.

There were several cadres, but not all had a cadre grade. They had an assistant shop head, and 5 da yuan: shenghuo, cailiao, diaodu tongji, jishu, chengben, and the party secretary. He was a diaodu tongji yuan. They did all of the management. They were not necessarily of cadre grade. This was yi gong dai gan. Why do people want to do this? Conditions were better, you don't work swing shifts, so its better work. Other people were promoted because someone pulled strings for them with the upper levels. It was a difficult job, big responsibility, came early, left late, always had to advise shop directors on the spot, and had to run around all day to make sure that all things were coordinated. Sometimes had to run to the warehouse to get things.

Benefits

They had sick leave with pay, they had a meal hall, and served meals to all three shifts for only 20 cents. In 1980 they built a canting in the factory, where workers could come and yum cha and order better food for 50 cents per dish tops. The earlier fantang was really very basic. The factory opened the canting up as a service business to make money. It was open to the public too, and the factory had a wall facing the street where it was. The workers in the canting were the children of workers being given jobs while temporarily awaiting assignments. They could also get these jobs through the back door. I got my younger brother a job here.

They also had buses to drive workers to the train station. They also gave them food fees for evening work, 20 cents and then later after 1980 changed to 40 cents. The factory also distributed things out at various holidays. For example at the mid-autumn festival they gave out moon cakes. The factory supplied work clothes. They would give workers la rou at New Year's. They had housing that was very inexpensive, both single dorms and family apartments. But they didn't have many to pass out. If you didn't live in the factory, they gave you a housing subsidy of a few yuan per month. Only about 15 to 20 percent lived in housing at the factory. Later in the 1980s they built more, so now about 30 percent or so live there.

It is very hard to get housing, and they did have a back door. They also had a factory clinic with a doctor, but he was not a fully qualified doctor. They distributed coupons for bicycles, washing machines, electric fans; you can use guanxi to get them.

They had a number of formal conditions but they were not always used in getting these things. You could also go through the back door with the head of the housing office, by giving him things as gifts. But if you are too far away from the formal qualifications then there is a problem because others will raise objections.

Wage Readjustments after 1977

First there were lines specifying grades and seniority. Then the masses assessed. But not all who qualified got them, because too many qualified. So many said getting a raise depended on fate and luck. It depended also on your popularity and relations with the masses after that. People got jealous if someone entered the same year as them but got higher pay. Things were done basically the same way in 1979-80.

Yes, there were arguments over the assessments. Small groups at each level were organized to assess and narrow down the lists. The masses raised names in groups. They almost always nominated the union yuan and shenghuo yuan (activist positions), and they almost always got it. The problem is that the people who don't get the raise feel bad and don't like working for a couple of months. There are no scientific methods of evaluation, it is all pingbi. None of these new methods were used in his factory through 1982. But enlarged powers enterprises use a new method of readjusting the wages of their own workers each year out of their profits retained. Two tenths of one percent of the workers can be given raises annually this way..

They talked about tests and did implement them to some, but it did not have a great impact on the evaluations for raises.

Bonuses

This depended on the profits of the plant as a whole. More bonuses, more profits. Shops were evaluated according to the 8 big targets. They used a point system to figure the performance of each shop. The total points out of 100 that were actually awarded to each shop were totaled up for the whole plant, and divided into the bonus funds for the whole plant that month. That would determine how big the bonuses would be for the shops. But then the groups still held group assessments based on the pingbi method, they still gave most people grade 1 or 2, and very few got none. They still used the rotation system where they took turns getting larger bonuses. They still haven't solved the problem of egalitarianism.

They did have a new method of automatically reducing bonuses if you didn't meet the target. But they still don't dare touch the basic wage. They can't really do it because it would affect worker livelihood. The criteria for bonuses in groups: the most important is still attendance. Its too embarrassing in groups to assess other aspects. Formally, the criteria are output, attendance, quality, and work attitude. But in reality they can't assess well in groups, because of the problem of face. There are no longer any real political criteria. They don't really discuss biao xian and political thought anymore. There was very little

political study after the Gang of 4. There was only 1½ hours after work on wednesday, used to read documents in the shop. Before 1977 they had 3 nights of group study every week.

They tried to keep the staff bonuses smaller than the workers', that was the first principle. It was mainly according to their attendance because there is no objective way to measure their performance. For workers in the shops, each shop was graded on the 100 point system according to their output, quality, attendance, clean production, safety and accident record. So each of these is considered in evaluating the shop. Add up all the points together, divide into the bonus funds for the whole factory, and that is what each shop gets. But they didn't use the point system within the shops for groups and individuals. They still eat out of the same pot. You can't use a point system there because it is too difficult and complex to manage. It takes up too much of our time. Also our production technology did not allow us to calculate precisely for each individual.

Within the shops there was still the 3 grade pingbi system. Grade one is the most numerous, grade three the smallest, and only about 10 percent or so don't get any bonus. People only have bonuses taken away for poor attendance or failing to meet quotas. The problem with assessments is that people don't want to embarrass one another in the group assessments.

How could they run this better? Its hard to give a full answer in a short time. The whole system needs to be reformed, not just the techniques. Floating wages has its advantages. But you can't have too great a change all at once. You might create contradictions between the higher and lower paid at first.

Some workers are now taking a lot of sick leave to engage in sideline business, and they don't care about losing the bonus. You can make much more money on small businesses selling and buying Hong Kong goods, or buying agricultural products from the peasants to sell in the city. Or they will go work in a commune factory, where in some cases they can make up to 200 yuan a month, sometimes 300. So state workers take long term sick leave, and earn all this money while still collecting sick pay. The rural factories can pay a lot of money because there are not such strict financial regulations for them. It is very easy to buy things in Shenzhen and then sell them for higher prices in Canton.

His factory was an expanded powers factory. So the factory director did have the power to fire workers after 1980. He didn't use it until 1982, but I hear from friends still there that they used it in 1983 to fire a few who didn't come to work for a long time.

Coupons

Industrial coupons. The factory gets them from different organs and keeps some of them to do business with. He gives the example of the use of a TV coupon needed to borrow a truck from another factory. These are coupons for specific items, not to be confused with the generic industrial coupons that you use for things like cloth and matches. Part of them are kept and given to workers who are on waiting lists. Then there are distributions according to guanxi in shops. You can ask the group leader directly, or even the factory director if you know them well and are close. You can also trade one kind of coupon for another. You can trade with workers in another factory. So you can get coupons from another factory too. But some factories actually sell these coupons and that is not legal. Sometimes workers argue about this fiercely among themselves. There are

very few coupons.

But this is beginning to fade into history. In my city some goods now don't require coupons. In Canton, for example, bicycles and TVs are much more plentiful. Its coming to the point where if you have the money, you can get anything. Coupons are still used to get the better quality things, though, even to this day.

Activists (6/25/84, 3 hrs)

They still have activists, but not like before. Now you must be good at your work, you can't just use your speaking ability to become one now. Activists don't get promoted into cadre positions anymore. They have to have some ability for the job. But this is the policy. At basic levels they don't really do things this way. They said they were to choose according to ability, but in reality they choose people because of personal familiarity.

Worker Performance

Of course there was a very big impact of the new wage policies. These are good economic policies, but they have been implemented poorly. They did not assess according to actual work performance and ability. But because the bonus money is not a lot, it is not that helpful to workers. The pingbi method is not rational. Workers can't assess each other honestly in groups because of face. People not willing to speak frankly in front of others. So they used the "drawing lines" method to prevent problems, but that has no relation to how hard people work.

In wage readjustments they had the same problem. Sometimes they assessed according to year lines, sometimes real work, but also sometimes siren ganqing was the real criterion. People ended up arguing when it came time for readjustments, because of the irrationality of the criteria. You had assessments and people with the same qualifications didn't always get the same treatment; and the amount to get them was limited. (Implication: a zero-sum game stimulating conflict) The cadres are really handling the readjustments in each unit, a small leading group at each level. They don't always have a deep understanding of the real purpose of the readjustments (ie, to stimulate worker productivity).

No, you can't really say that the readjustments and new wage policy has succeeded. In fact in many factories the result has been the opposite. The amount of the raise is really not that much, so if you get the money it does not greatly influence your living standards. But if you don't get it, you will be even more unhappy. A floating wages system would be more effective than a grade system. But it probably would create a contradiction between the older and younger workers. The older ones have more experience and skill and they would be more unhappy.

Workers of course were unhappy with their wages in 1975. But they still are, or at least a good number are. First is the problem mentioned above. Second is that the private business people are making a lot more than they. And the third is that prices are rising very quickly. Yes, prices are stable for certain staple commodities, but other goods are rising very fast, like eggs, vegetables, cigarettes, chicken, etc. The official figures don't really reflect this. Also you have a problem of quality falling while the price remains the same. This is also a kind of inflation. I know China's statistical system well, having worked as a factory statistician. They want to report good, not bad things, so often the statistics understate

the real extent of the price rises.

Despite all these problems, worker performance has still improved. But it improves in direct response to the size of the bonuses. For a while in our factory the biggest bonus was 5 yuan, but later it was 20 yuan and in this situation they worked much harder. You also have to consider whether workers are more active just to get bonuses or because of an increased sense of morale and responsibility on the job. (Implication: in this sense things have not improved).

Workers Education

Most large and medium sized factories and companies are now running 'workers colleges' that are equivalent to technical middle schools. Most students are our own factory's workers. After they graduate, they become assistant technicians. The leaders select the best workers to attend these courses. Of course personal relations enter into these selections. They did have these before--the July 21 Universities that Mao suggested. So its not all that new. But they are really stressing this now. These universities don't give that good of an education. The teachers are just ordinary cadres, and the classroom materials aren't that good. I often met the teachers and students of this school and they were critical of the lack of emphasis and support for the school.

Leading Group Changes

They did do this after 1976. Most plant and department cadres attended xuexi ban. They stopped work and all studied together. After study they were transferred all over. The bad were sent to bad units, the good sent to better units or were promoted to better jobs. They studied the policies and tried to get them to unite behind the new policies, "unifying the thinking" of cadres. Told them why they were carrying out the changes. They had speeches, read reports and editorials, and discussed them.

Our own factory: people generally were promoted or demoted within the same factory after they came back. Now factory directors have the power to appoint their own vice-directors and dept. heads. This is taking away some of the powers of the old personnel and organization depts. In the factory they promoted a couple of department heads to be vice-directors, and demoted some to the shop offices. Factory directors did not change, but they changed party secretaries several times.

Shop Organization

They had a branch secretary and vice secretary in the shop. They handled the CYL, Union work and in every campaign they were in command but they generally didn't bother with production. They trained and prepared new members and maintained party's organizational life. The youth league were young workers under 25. They organized after hours recreations activities like swimming, and study. About 30 percent of the young workers were members. Why so few? They limited the membership. They studied one evening after the shift a week for 'organizational life', they would also do special volunteer work after hours, discuss problems with the shop secretary, etc. Would engage in volunteer labor and engage in production competition. They would also take part in athletic activities.

Before 1977 they had a strict entrance requirement: you had to have good chushen and historical background, be a certain age, and be active in political study and good biao xian. The requirements are the same now

as before, perhaps only a bit less strict with regard to class background and historical background. I don't think there is much use in joining the youth league. The benefits are not all that clear. The main one is that you can become a party member, and this is important for promotion later on. To be the head of the shop or department you must be a party member. Other than that there are no special advantages.

Relations between masses and activists: I heard that relations were all right in the 1950s, because the league and the party did a good job. But the quality of the membership went down after that. Now it doesn't sound good to say you are in the youth league. Many people now call it the laji tuan (garbage league). There is some abuse of the young members by the young workers, just like in school, but not a lot. An example: sometimes they ask for blood donations. Chinese hate doing this, because they think it takes away your soul. The workers will turn to the league members and say, "You give blood, you're the league member!"

Activists and youth leaguers are not exactly the same thing because there are some activists who are too old for the youth league. There are two kinds of activists: the political activists and backbones during campaigns, and those who are activists in production. The first kind are not really considered genuine activists by the masses, they are actually despised (mieshi). But the second kind are considered real activists, they don't rely on their mouth to eat. In recent years the second kind of activist is more common.

Shop Organization

Attendance checking--leaves, both medical and personal, the times people come in and leave. No time clocks. Handled by the small groups. But time checking is not too tight, its easy to come late and leave early. People also leave in the middle of the day. The group leader knows this, but covers it up and doesn't report it. Why? Because he does not want bad relations in the group, doesn't want other workers to oppose him in assessments for raises, and doesn't want them to oppose him. This would just make things difficult in the shop. If the problem is so serious that it affects production, then the group leader will report it, but most likely he first of all will tell the worker involved and warn him first. But because group leaders are also workers, they would rather not enforce rules so strictly that conflicts arise. As long as they can continue to get by, they will let it slide.

For a period at the end of the CR they said that systems of rules and regulations fettered worker activism. Since 1977 or 78 they have revived them. The job responsibility system (gangwei zeren zhi). This is the system that was restored. The systems of job responsibility are specified for each job on the floor. They have restored its name and put up lists, but no one really checks on its implementation. It has some effect, but not a very large one. It does help on a daily basis to tell who is responsible for a mistake on the floor, it also tells people how they are to handle their job. They did not have any concrete activity like study groups to implement these regulations. They posted them on a board and that was about it. They did it because the above levels said that they had to spell out the system of job responsibilities. But they didn't give much thought to it otherwise.

Reports (baobiao): production reports every day, go to the production department, and every month they had a report on the progress in meeting the eight big targets, and also attendance and labor reports. They were all

sent to the factory office, which reported to the above levels. They also had a huibao system. Every week the shop director met with the leading cadres and department heads about production progress and problems.

They also recently started a lingliao dan system. The groups filled out reports, they also had yuan responsible for production planning and statistics, etc. I would add them all up and give a copy to the shop head, keep one, and give one to the production department. The problem is that I have no way of knowing about the accuracy of the statistics on target fulfillment. Materials waste is another problem caused by poor records. The shop had 4-5 quality inspectors; they would find quality problems and tell group and shop when there was a problem. The big problem is that we had production line technology so it is hard to verify the statistics of each group because the material keeps moving.

The shop itself had two storerooms: one for tools and equipment, and one for finished products. But the materials were kept at the factory's warehouse.

Quotas and Bonuses

Some workers got a quota overfulfillment bonus: it depends on whether to tools permit calculation of individual output. Others are on a three grade bonus assessment system. The younger workers like the ping jiang system because they have poor sense of responsibility. Older workers like the chao'e jiang because they know how to work. Workers generally prefer the hard criteria, as long as the quotas are reasonable. They use the method of average worker output to figure the quotas. Every year they revise them but not very scientifically or exactly. They are fairly conservative about it. If you raise quotas you have to think about the workers' reaction. So you can't raise them too much. They usually set them just a little higher each year. If the plant sets them too high it creates difficulty for the shop director too; he has higher targets and has to push workers harder, may use overtime work and possibly a drop in quality. This is the reason they are a bit conservative. They aren't really afraid of workers, they are just conservative.