

Workers' Lives Behind the World Factory:
China's Capitalist Transition, 1978 to the Present

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Overview and Learning Goals

This class uses a structured role-play to place students inside the lives of two Chinese workers across four decades of economic transformation. Rather than presenting reform as an abstract process of GDP growth, it asks students to inhabit the structural positions that made China's industrialization possible: the dispossessed SOE worker and the excluded migrant laborer.

By the end of this class, students will be able to:

- *Connect individual life events (layoff, wage theft, migration) to structural forces (WTO accession, SOE reform, state enforcement failure)*
- *Articulate a critical account of 'development' that holds both aggregate growth and individual dispossession simultaneously*

Core question: How did China's transformation since 1978 reshape workers' lives—and how did workers respond?

Suggested readings:

- Ching Kwan Lee (2007) — *Against the Law: Labor Protests in China's Rustbelt and Sunbelt.*
- Pun Ngai (2005) — *Made in China: Women Factory Workers in a Global Workplace.*
- Ralf Ruckus (2021) — *The Communist Road to Capitalism: How Social Unrest and Containment Have Pushed China's (R)evolution since 1949.*

Phase I: Opening Setup and Assign Roles

We are in China now!

The class will be divided into small groups. Each group gets a worker identity:

- 1) State-Owned Enterprise (SOE) worker (1980s → layoffs in 1990s)
- 2) Rural migrant worker (农民工)
- 3) Young factory worker in export manufacturing (2000s)
- 4) Platform/gig worker (optional, modern extension)

In case the class only for 1 hour, the students can be instead grouped into two main categories:

- 1) State-Owned Enterprise (SOE) worker (**Red hat**)
- 2) Rural migrant worker (**Blue hat**)

Students will be assigned a role and provided content. Students will take 3 mins to read the historical content and their role. "You are this person. Think from inside their life, not about their life." The instructor will go through the key terms and clear any confusion before the discussion. The instructor then

will present 3 historical events of Chinese society and students need to answer what and how the historical events affect their life.

Phase II Content and historical events selected

Context:

It is 1978. China has 900 million people. For the last thirty years, **if you were born in a city**, the state assigned you a job, a home, a hospital, a school for your children, and a retirement. This bundle — your work unit, or *danwei* — was not just an employer. It was the state reaching into every corner of your life. You could not quit. You could not be fired. This was called the *iron rice bowl*. **If you were born in a village**, you belonged to the land — legally. Your household registration, or your *hukou*, tied you to your birthplace. Moving to a city without permission was illegal.

In 1978, as Deng Xiaoping begins dismantling the planned economy, both of these worlds are about to be shaken. Deng Xiaoping's opening dissolves the planned economy's certainties. The planned economy — where the state assigned you a job, a home, a hospital, and a school — is beginning to crack open. Markets are being introduced.

Historical Event I: SOE Restructuring & Mass Layoffs (1990s-2005)

Starting from 1980s, rural communes was dismantled and thousands of state enterprises are shuttered or privatized. In 1980s, SOEs begins piloting labor contracts, replacing permanent tenure with fixed-term arrangements. In 1982, without fanfare, the constitution is revised and the right to strike disappears.

Between 1995 and 2002, roughly 30 to 40 million SOE workers laid off -- *xiagang*. Labor Law was introduced first time in 1994, it promises an 8-hour day and a minimum wage; Custody and repatriation (C&R) was used to restrict the movement of migrant workers.

Fang, 18, has just arrived in Guangdong. Wei, in his 30s, his factory was restructured.

Questions:

- **How does this event change your life? Income? Security? Family? Identity?**
- **How do you feel for the changes?**

Key points for Instructor

SOE workers (e.g.)

- Major disruption: Job loss or forced early retirement; Loss of housing, healthcare, benefits
- Identity crisis: from “state worker” → unemployed
- Feeling: betrayal, insecurity
- And mass protest

Migrant workers (e.g.)

- Opportunity expands: More urban jobs open (cheap labor demand rises)
- Still excluded socially, without legal paper
- Feeling: more work, but still marginal, hope?

Key words

- Surplus labor in both rural and urban setting
- *Xiagang* and its struggle, a 'politics of recognition' struggle
- On non-enforcement of the 1994 Labor Law
- Modernity and migrant workers
- Protest: SOE workers vs. migrant workers

Historical Event II: Globalization Boom — China Becomes the World Factory (2000s)

On December 2001, China joins the WTO. Foreign orders flood in. Export manufacturing in the Pearl River and Yangtze River Deltas absorbs hundreds of millions of migrants. China's GDP doubles in a decade. The world is buying iPhones, Nike sneakers, and toys assembled in Shenzhen, however, 14 Foxconn worker suicides in 2010. The 2008 Labor Contract Law introduces stronger protections. However, the data show that the percentage of migrant workers without contract protection steadily increased from 2009 to 2016. By 2016, approximately 65% of migrant workers were not covered by contracts.

In early 2000, Wei, became a dispatched security guard for years, 45. Fang, work on an assembly line attaching screens to smartphones. In 2000, both Wei and Fang's daily wage was around \$3 for 12 hours; and in 2011, their daily wage was about \$10 for 12 hours, while the sell price for iPhone 4s is \$789 USD.

Questions:

- **What happen to your life when China becomes the World Factory? Income? Security? Identity?**
- **What would you do to strive for a better life/condition?**
- **What might your child be doing?**

Key points for Instructor

SOE Worker (e.g.)

- Many never regain stable jobs
- Some shift to informal sector
- Feeling: left behind

Migrant Worker (e.g.)

- Massive demand for labor: Migration accelerates
- Income increases (but still low); Long hours; strict discipline; rare formal contract
- Family separation intensifies, Children education issues.

- Feeling: economic gain, social cost

Key words

- The dormitory labor regime (Pun Ngai)
- On labor law enforcement (the contract law, the social insurance regulation, etc.)
- Left-over children, migrant children, and education.

Historical Event III: Rising Labor Unrest (2000s; 2010s; 2020s)

Content:

By 2010, labor unrest has been building for decades. First-generation migrants (peasant-workers) in the 1990s and 2000s staged wildcat strikes, slowdowns, and factory occupations over unpaid wages, wage theft, and dangerous conditions. First-generation workers typically fought over concrete, immediate violations: wages withheld for months, illegal deductions, safety breaches. They wanted what they were owed.

The second generation — workers born in the 1980s and 1990s, partly raised in cities — begin demanding something more expansive: wage levels that reflect a city life, not a village baseline; social insurance; dignity on the factory floor. They don't compare their wages to what their parents earned on the village. They compare themselves to urban peers — and find the gap unacceptable.

In May 2010, workers at a Honda parts factory in Foshan, Guangdong, walk off the job – a wildcat strike. They shut down Honda's entire China supply chain. They do not go through the ACFTU. They elect their own representatives. They negotiate directly. They win a 24% wage increase. It is the most significant labor action in China since 1949.

Since late 90s and early 2000s, labor NGOs had emerged as an informal way to mobilize and protect workers. But in 2015, the Guangdong government arrests the leaders of labor NGOs that supported workers. The charge is, “picking quarrels and provoking trouble”.

Questions:

- **Why are you/workers striking? What danger are you facing?**
- **Can the union help you? What do you think about “NGO”?**

Key points for Instructor

For both (former) SOE and migrant workers (e.g.)

- Law enforcement remains an issue; Reproductive demands emerged
- Thousands of strikes annually, but no data was recorded
- No formal collective bargaining system, no independent union
- Frequent political retaliation and repression.

Key words

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- Strike wave in 2010s, 2020s, the variety of demands.
- The emergence of labor NGOs and the crackdown (2015)

Phase III Recap and Closing

Return to the dilemma of economic growth and individual dispossession, what does development mean to ordinary people? After 40 years, what do both FANG and WEI have?

- The change of employment structure/relationship, increasing of informalization/precarity today.
- The identity crisis and collapse, betray vs hope.
- The social security net (housing, education, job guarantee, healthcare...)
- The remedy system (mediation/legal remedy, union/ACFTU, NGOs)
- The Hukou barrier preventing access to education, movement, healthcare, pension, and cultural discrimination, etc.
- The wildcat strike and social control, and censorship, and repression.

Key terms

Term	One-sentence definition
SOE workers (国企工人)	A State-Owned Enterprise (SOE) worker is an employee of a company partially or wholly owned by the government, typically operating in sectors like energy, infrastructure, banking, or telecommunications. These roles are highly sought after for superior stability, benefits, and social status compared to private sector jobs, often offering long-term or indefinite contracts
Migrant workers (农民工/外来务工人员)	Internal migrant workers; more than 300 million; an individual with rural household registration (hukou) who works in non-agricultural sectors outside their home. The first generation is also referred to as “peasant-workers,” since they were originally peasants before moving into urban industrial work.
Danwei (单位)	The work unit: state employer that also provided housing, healthcare, schooling, pension — cradle to grave.
Hukou (户口)	Household registration system tying a person's legal residence and welfare access to their birthplace.
Iron rice bowl (铁饭碗)	Guaranteed lifetime employment in the SOE era — permanent, unbreakable, state-backed.
Xiagang (下岗)	"Off post"/mass layoff — the euphemism for SOE layoffs in the 1990s; workers received limited subsistence pay but lost real employment.
ACFTU (中华全国总工会/全总)	All-China Federation of Trade Unions — the only legal union; leadership appointed by management/Party.
Custody and repatriation (C&R) (收容遣送制度)	Any migrant without a valid temporary residence permit can be detained and sent back to their home province. The cost is charged to the migrant. This system makes workers compliant: you cannot fight for your rights if you are afraid to be on the street.

Your Role Card **Blue Hat**

Fang Migrant / Export Factory Worker · Born 1975, Sichuan

Your background

You hold rural hukou from Sichuan. Moving to a city does not change this — you are legally a temporary resident wherever you work. Without urban hukou, your children cannot attend local public schools. You cannot access subsidized housing, local healthcare, or a local pension.

In 2003, a man named Sun Zhigang — a migrant without proper papers — was beaten to death in a Guangzhou detention center. His death sparked national outrage that ended the custody and repatriation system. But the hukou system remained.

Your situation arriving in Guangdong (mid-1990s)

- Job: no formal contract; hired daily or monthly
- Wage: piece-rate, often below minimum; wage theft common; wages withheld until Chinese New Year
- Housing: factory dormitory — 10–14 workers per room; movement controlled
- Rights: covered by Labor Law (1994) in theory; enforcement near zero in export zones

Your question to carry through every event:

In early 2000s, you work 12-hour shifts assembling electronics for export. The product sells for \$300 abroad. You earn \$3 a day. What would you do to strive for a better life/condition?

Your Role Card Red Hat

Wei SOE Worker · Shanghai · Born 1958

Your background

You were assigned to a Shanghai textile factory in 1978 through the state job allocation (*danwei*) system. Your unit provides housing, healthcare, schooling for your children, and a pension. You hold urban hukou. Your identity is tied to the work unit — leaving is almost unthinkable.

You joined the factory union, but the union is a branch of the Party. The right to strike was removed from the constitution in 1982.

Your situation at the start (1978)

- Job security: iron rice bowl — permanent, state-guaranteed
- Wage: low but stable; bonuses minimal
- Housing: subsidized danwei apartment
- Welfare: cradle-to-grave — medical, pension, childcare included

Your question to carry through every event:

What happen to your 'iron rice bowl' and living conditions now since the SOE reconstructing in 1990s?

Appendix: Student Handout

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