

The New Changes of Capital-Labor Relations and the Status of Working Class in China under the Influence of Neo-liberalism ¹

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Since an era what is called new liberalism begins, the general trend in international labor relation is the deterioration of working class status. China is not an exception, labor relation has endured new change under the influence of new liberalism in recent ten years. The living condition of working class in China has endured the most serious regradation and deterioration during the past 50 years since new China founded.

I Private ownership substitutes for public ownership as the mainstay of the economy

The proportion of public ownership economy and private ownership economy in the paid-up capital of Chinese enterprise, namely the first and second industry, is 48% and 52%. In the gross GDP that year, proportion of public ownership economy and private ownership economy is 37% and 63%, the tendency of which is extending. The proportion of employment (mainly 1st and 2nd industry) in public ownership economy and private ownership economy is 32% and 68%.

II Polarization of rich and poor in income distribution

The change in ownership structure above consequentially will produce change in income distribution. Referring to Gini Coefficient used internationally to picture the gap of rich and poor (zero is absolute on average, 1 is absolute inequal, 0.4 is safe warning limit) it is 0.24 in 1985 and increases to 0.435 or 0.045 in 1995, in 2000 it is 0.458, which is investigated by scholars and science units in China. Calculated by World Bank, China Gini Coefficient will increase to 0.469 in 2004. Gini Coefficients of countries are enumerated as follows:

Comparison of Gini Coefficient in some countries

Country	Year	Gini Coefficient	Country	Year	Gini Coefficient
China	2004	0.469	USA	2000	0.408
India	2004-2005	0.368	Brazil	2004	0.57
Indonesia	2002	0.343	Bulgaria	2003	0.292
Japan	1993	0.249	France	2000	0.283
Korea	1998	0.316	Germany	2000	0.283
Iran	1998	0.43	Italy	2000	0.36
Thailand	2002	0.42	Holland	1999	0.309
Egypt	1999-2000	0.344	Russia	2002	0.399
S.Africa	2000	0.578	Britain	1999	0.36
Canada	2000	0.326	Australia	1994	0.352

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Figures in the table show that: our country's Gini Coefficient has exceeded most of developing countries including India, Indonesia, Korea, Iran and Egypt, only smaller than minority countries like Brazil and S.Africa. It is also bigger than capitalist countries such as France, Germany, Britain, USA and Italy, it even surpasses Russia and Bulgaria which are capitalist countries, restoration of socialist countries. Someone may ask: what's the advantage of our socialism? Are we near to the goal of common prosperity or even farther?

According to the information of "China human development report in 2005" supplied by United Nations Development Program, 20% of population who own most property hold 59% of the property, 20% of population who own the least property hold less than 3% of property, and the rate between them is 21:1. According to "the annual report of Chinese income distribution" compiled together by State Development Planning Commission, National Statistic Bureau and China Academy of Social Science, "10% of the rich families having the highest income possess 45% of state property, but the corresponding rate of 10% of the poorest families having the lowest income is only 1.4%. That means ratio of the two is 32:1. In recent years, the state has taken remarkable measures in secondary allocation to ease contradiction, but can't alter polarization of rich and poor radically, since the income distribution is determined by ownership of productive means.

III Form of A New capitalist class

Overdevelopment of private economy means formation and development of private enterprise groups. During 1995 and 2005, population of the group has increased from 660,000 to 4,300,000, 5.5 times. Number of employees has increased from 8,220,000 to 47,150,000, which is 4.7 times of the front, capital has increased from 226.2 billions to 6133.1 billions, grown by 26 times.

Compared to private enterprise groups before Socialist Reform in 1956, population of private enterprise groups in 2005 is 26.8 times of 160,000 at that time, number of employees is 18.8 times of 2.5 million of that time, capital is 639 times of 2.4 billion in that time (take out fluctuating factors of price). If we say capitalist class existed that time, we also can say a new capitalist class exists now, and the old capitalist class has disappeared.

Along with swift development of private economy, the political status of capitalist has changed, too. Proportion of Chinese Communists in capitalists is 17.1% in 1995, 19.9% in 2000, 29.9% in 2001, which is much larger than that in workers, farmers and clerics, though the party constitution of that time didn't permit capitalist to join the party. Since admission to the party is permitted in policy, proportion of Chinese Communists in capitalists has increased to 33.9% in 2004.

IV Serious deterioration of China working class status

Chinese working class and farmers are the main force in socialistic construction and also the host of China. Most of public ownership economy in state-owned business and collectively-owned enterprise has become private under the mislead of new liberalism during the past 10 years. Employment, pauperization, weakness and diversification Chinese working class arisen among Chinese working class. Except minority villages like Village Nanjie and Huaxi which stick to collective economy reach common prosperity, most farmers manage separately, can't manage in scale and adopt advanced technology. The working and living

condition is quite bad for go-town workers. After the collapse of welfarism and employment system based on state-owned and collective economy, difficulty in living, education, medical treatment, employment has been the prominent problem obsessed most residents.

In the investigation report made by institution of sociology in China Academy of Social Science, China has formed "five grades" "ten classes" pyramid social structure. Workers, farmers including laid-off workers, farmers lost land are at the bottom. According to the survey on employment wishes made in Shanghai among 4000, only 1% are willing to be workers. The data combining with other information reflects the striking fall of Chinese working class from leader class and high status to the bottom of pyramid.

The recent arisen capitalist economy in our country has some characteristics of primitive capitalism like wildness and cruelty. Some private enterprise is called "sweatshop", coal digged out in private coal mine is called "blood coal", viz. coal having blood in it. Workers are suffering cruel oppression and exploit by capitalist and becoming contemporary slaveries. An example will be showed to you as follows:

During May to June in 2007, a reporter by the name of Zhenzhong Fu from Henan TV station exposed the doze of collieries at Hongdong of Shanxi province via the investigating in secret. Some darkminded agencies inveigled or kidnap youngsters, elder and aments, who were sold to collieries for cooly. The youngest of them was only 8 years old. The darkminded masters engaged hatchet men to force these labours working over 17 hours every day. Little remissness drew down beating-up at once. Many men were made deformity or death. Workers were forced to carry new bricks with their backs while they were still thermal, so the workers were often burned inflamed and sore. The workers could only eat steamed bread and drink cold water, they should finish eating in 15 minutes. They huddled together in black house at night and sleep on the ground. There was no fire in winter, no toothbrushing all the year round, no wash, they lived just like animals. Local party, government and police turned a blind eye to the above phenomena and let matters slide for years. Some of the darkminded brickkilns were opened by son or relatives of local party and government leaders. After the exposure of the affair by media, the Center and State Government ordered involved departments and local governments to check thoroughly, rescue workers and punish persons responsible severely. 374 people have been rescued in Yunchen, Jincheng and Linfen in Province Shanxi, some of them are child labors. Fathers in Province Henan who lost their children jointly sponsored bloodshed letters for help, they claimed most of their children hadn't found yet. The children might be displaced by darkminded masters. How to make a living for the rescued labors is still unknown. The similar incidents of darkminded collierymen above consist in many places, several media have reported such things for the past few years.