

## Privatization and Its Rising Discontents - China's State-owned Enterprise Reform since 1990s

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China's increasing integration with the global economy has attracted great attention worldwide, while the internal ownership structure has actually undergone a more significant transition, especially in the state-owned enterprise (SOE) reform. Initiated in 1980s, China's SOE reform has accelerated since 1995 and geared aggressively towards privatization and marketization on a massive scale. The attack on the public sector has become the great reversal to the socialist legacy not only in the industrial sector but disseminating to social welfare programs which were largely associated with SOE employment. By the time of 2009, China's state sector held less than thirty percent of gross industrial output value with a substantially downsized employment share. Workers have suffered from either layoff with little compensation or a casual and contingent employment. The whole privatization process has facilitated a shift of power and wealth from the public to the capital-power elites and simultaneously impoverished the ordinary workers by depriving them of job security and generous benefits in previous planned economy. It is this polarizing effect which has stimulated mounting discontents over the whole neoliberal agenda in China and shaped workers' struggles in many industrial cities. Though the recent global crisis has already demonstrated how vulnerable the export-oriented private sector has been, the trend of privatization did not halt or slow down, but only generated a rapid escalation of collective indignation and class consciousness from the working class. A close examination of the 2009 Tonghua Steel & Iron labor protest will illustrate the continued efforts of privatization by the state and private capitalists as well as the rising cautiousness and militancy of workers against the complex neoliberal manipulations in the context of the global crisis.

Thank you very much for your consideration,

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