

The Making of the Chinese Industrial Workplace: State, Revolution, and Labor Management. *By Mark W. Frazier.* New York: Cambridge University Press, 2002. xvii + 286 pp. Index, notes, tables, bibliography. Cloth, \$60.00. ISBN 0-521-80021-8.

Reviewed by Philip Richardson

The *danwei* (work unit) occupied a central position in the lives of millions of Chinese people during the later Maoist era. Operating not just as an employer but as provider of a range of social welfare services, it formed a means by which the Chinese Communist Party (CCP) could mobilize, monitor and control the minds and actions of Chinese workers and their families in the collective and state sectors. Workers became dependent on their workplace and therefore on the officials in charge of it. *The Making of the Chinese Industrial Workplace* is concerned with the formation of the danwei system within the industrial sector. Just as the dismantling of danwei and the emergence of an alternative framework under the reform program is only slowly unfolding, Frazier shows how the full set of danwei institutions and practices gradually emerged and coalesced over the thirty or forty years prior to the early 1960s as officials, workers, and managers struggled to shape labor management institutions to cope with China's industrial transformation in a way that would meet the political demands of a changing political leadership. The book closely examines how officials, workers, and managers created institutions of labor management to cope with the transformation of the industrial sector from the 1920s to the 1950s, when a centrally planned socialist system was imposed. In particular, Frazier seeks to "identify the conditions under which critical labour management institutions emerged; who contributed to their formation and reproduction; and how they changed over time" (p. 1).

By drawing on a wide range of sources and personal interviews, Frazier convincingly demonstrates that the danwei "was not a single institution but one comprised of distinct institutions or rules and norms for how workers would be hired, organised and compensated" (p. xiv), a "matrix of labour market institutions overlaid at different periods between the 1930s and the late 1950s" (p. 234). These institutional features were not simply and exclusively top-down creations of the new regime after 1949 but were conditioned by the experience of the past and, in their precise form, influenced by the workers themselves. The continuities are traced through an analysis of four central features: the "'foreman's fiefdom,'" workplace welfare, compressed seniority wages, and penetration and mobilization by political parties. The chapter on the 1920s and 1930s demonstrates how the emerging workplace arrangements became institutionalized, and the following chapter emphasizes the importance of welfare provision (housing, health, and basic

consumption goods) at the factory level. These benefits emerged under the *Guomindang* in the 1940s, partly to provide a hedge against (hyper-) inflation, and were then reinforced in the 1950s as a means of restraining the level of consumption in order to maximize the transfer of resources to investment (and also to enable workers to protect themselves against falls in the supply of consumer goods on the market). Perhaps Frazier gives insufficient recognition to the learning experience of CCP leaders in the military base areas in the 1940s. The combination of this learning, the accumulated experience of the workers themselves, and the commitment to central planning conditioned the workplace arrangements of the 1950s.

The analysis is less convincing, or less clearly developed, for the final stages of institutional evolution in the early 1960s. This period can be seen as covering the latter stages of the Great Leap Forward, the more relaxed market-based policies from 1961 to 1963 and the post-1962 drift toward class struggle that was to culminate in the Cultural Revolution. Neither the text nor the sources cited manage fully to tie the analysis into the time scale of the ideological and policy changes that characterized the period. What were the parallels between the workplace arrangements during the emergence of the more market-oriented policies under Chen Yun (and Deng Xiaoping) in the early 1960s and in the early post-Mao reform era? Nor is the analysis complete without some consideration of the *guanxi* (contacts) culture. Did this not become institutionalized as much as welfare provision or any of the other aspects? Was it not a response (perhaps a rational response) by both managers and workers as they sought to maximize their opportunity for employment, income, and welfare gain or to protect themselves against demands from those in the higher echelons of the hierarchy?

However, this is an extremely useful study, which charts the evolution of workplace industrial relations from the 1920s to the early 1960s and provides an accessible, comprehensive, thorough, and reliable account of those relations. The book adds significantly to our understanding of the *danwei* system by emphasizing the importance of the long-term historical context and convincingly argues that the roots of its central workplace institutions derive from the years before 1949. Moreover, a number of valuable insights into the process of institutional change in a revolutionary context emerge from the author's research into the contrasting experiences of Shanghai and Guangzhou. As for as the more general conceptualization of the institutional change within a revolutionary context, the outcome is less significant. The comparative analysis (with the Soviet system, Taiwan, and the United States) is rather brief. The author ultimately presents the findings as compatible with both Douglass North and de Tocqueville, rather than as forming the basis for a fundamental paradigm shift.

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**BOOK REVIEWS**

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