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## URBAN WOMEN'S EMPLOYMENT AND UNEMPLOYMENT IN AN AGE OF TRANSITION FROM STATE-LED TO MARKET-LED ECONOMY (1978-1995): A CASE STUDY OF SHANGHAI, CHINA

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# CHAPTER 1 Introduction

### 1.1 Statement of the Research Problem

China is currently in transition, moving from a centrally planned economy to a 'socialist market economy', aimed at effective coordination of a planned economy with market regulation. In terms of its economic growth (the average annual GNP growth rate in the 1980s was 9.7 per cent), and the rise in living standards the rate of growth of income between 1978 and 1992 was 13.4 per cent), it's development has taken a positive direction. However, this process of change has created some major problems, namely, that of urban unemployment, especially that of women. Unemployment figures indicate a wide disproportion in so far as women are concerned. For example, in 1980, unemployed women comprised 54 per cent of total urban unemployment, while in 1987, the percentage went up to 65. In 1994, in Urban China, 5.4 million people were unemployed, while at the moment, about 20 million people are disguisedly unemployed (Liu, 1990). Moreover, women are being pushing into certain occupations in the labour market, resulting in new forms of gender division of labour.

The Chinese industrialization strategy prior to 1979 created inefficient enterprises, due to the rigidity of the central planning system, bureaucratic management, the lifetime employment system and the egalitarian wage system. During that period, the Department of Labour Management controlled the labour force according to a mandatory plan. As a result, the employment rate was far greater than that provided by national economic development. Since the full Employment policy made sure that almost every enterprise had a large amount of surplus labour, disguised unemployment was already an issue. Urban open unemployment emerged after the economic reform, especially due to the introduction of the contract system and the beginning of industrial restructuring in the mid-1980s. In the process of this transition, state owned enterprises are being restructured and a new ownership structure is emerging. The re-allocation of the labour force is now based on market regulation, at the same time creating a new gender division of labour.

As the central government has given local government increased autonomy, and the latter allows more autonomy for operations to enterprises and the market. It is thus expected that the laying-off of redundant workers will continue, and that gender will be central in the process of labour re-allocation.

## 1.2 Objective of the Research

The main objective of the paper is to analyze the reasons behind the growing problem of urban women's unemployment and employment in China and to assess the existing policy measures that have been introduced to cope with the problem. The focus will be on the Shanghai region.

### 1.3 Methodology

My interest in this subject was sparked by my experience of working in the Shanghai Academy of Social Sciences. Some of my colleagues and friends were forced to leave their posts, some were worried about the possibility of being laid-off in the near future or being forced to retire in their early 40s. For the Chinese, a formal job means everything: income, health care, childcare, housing, retirement, etc. The government's low wage policy means that it is impossible for a family to survive on a single income. Moreover, the reform was associated with the high rate of inflation (20 per cent-30 per cent). I knew what kind of difficulties those who were laid-off would face in life. I thus became extremely concerned with the issue of women's employment. In

August 1988, in my capacity of the head of Social Sciences Information Exchange Committee, I organized (in association with the Shanghai Women's Studies Association) and chaired a seminar on Women and Employment. Although I cared much about those who had lost their jobs, I believe their unfortunate situation was caused by their own weakness, such as a lack in skills, inadequate education and inattention to their careers. I also accepted the suggestion of periodical employment for women.

In the course of my studies at the Institute of Social Studies, the Hague, I realized that gender discrimination is a global phenomenon and women's work is often undervalued. When I recall the women's employment and unemployment issue in Shanghai, I noticed that although China has a well-intentioned law to protect women's employment rights, the implementation of the law is still problematic. Gender bias is obvious in society as well as in the labour market. Since I have been always interested in the issue, particularly in the Shanghai region, I therefore decided on this topic for research.

I take a socialist feminist approach in the paper. In this perspective, women's reproductive role is the central problem impeding their emancipation. The ongoing industrial restructuring has withdrawn many state-supported entitlements in the area of reproduction, thus driving more women than men out of their jobs, making women of child-bearing-age the most disadvantaged category in the labour market.

To further explore this process, my research is guided by the following questions:

- 1) What is the essential character of China's policy of restructuring urban state enterprises? 2) What are the gender-biased dimensions of this process of restructuring? How is it related to female employment and unemployment in urban areas?
- 3) What has been the response of mass organizations? What are the strengths and weaknesses of these responses? What is the best way for them to improve the employment situation of women.

I will use the terms 'unemployment' and 'disguised unemployment' in this paper. The first refers to three categories of persons: those who have registered for jobs, persons who have been laid-off for longer than 3 years and have been unsuccessful in finding employment (the enterprises where they used to work have no longer taken the responsibility for paying their pensions); and those who have remained unemployed after completing their schooling. Disguised Unemployment refers to those individuals who are employed full-time even though their jobs may actually require much less time input, because, in the majority of cases, there is a larger workforce than is necessary. Thus, labour can be taken away from these occupations without affecting productivity. Although I noticed that there is underemployment in China, in this context I could not find a clear-cut distinction between disguised unemployment and underemployment. Therefore, I will use the term 'disguised unemployment' to define redundancy.

To explore my research questions, I will first look at the general picture of women's work in transition economies, in order to be in a position to discuss women's disadvantaged situation in the labour market from a global perspective: when efficiency became the focal point, women are not only lost out on their benefits, but were also being pushed out of their posts. I will then construct an analytical framework for the theoretical basis of my research. This will be followed by our introduction to China's industrial restructuring policy and an analysis of its impact on urban women's employment and unemployment. I will study the case of Shanghai, my home city, to show how industrial restructuring affected women and how the new employment pattern leads to a lowering of this in society. Finally, I will look at the strengths and weaknesses of the responses of the local Shanghai authorities as well as mass organizational efforts towards the issue of women's employment and unemployment.

Most of the data used in the paper is from secondary resources, for instance, 1) published documents and books from the ISS Library and from China; 2) unpublished documents such as a) Chinese government statements, b) survey reports, c) seminar and research papers and d) the Monthly Statistical Tables of the Shanghai Unemployed by the Shanghai Labour Bureau. During the course of the research, I also interviewed a few people from Shanghai, the result of which I will use as primary data.

#### 1.4 Significance of the Study:

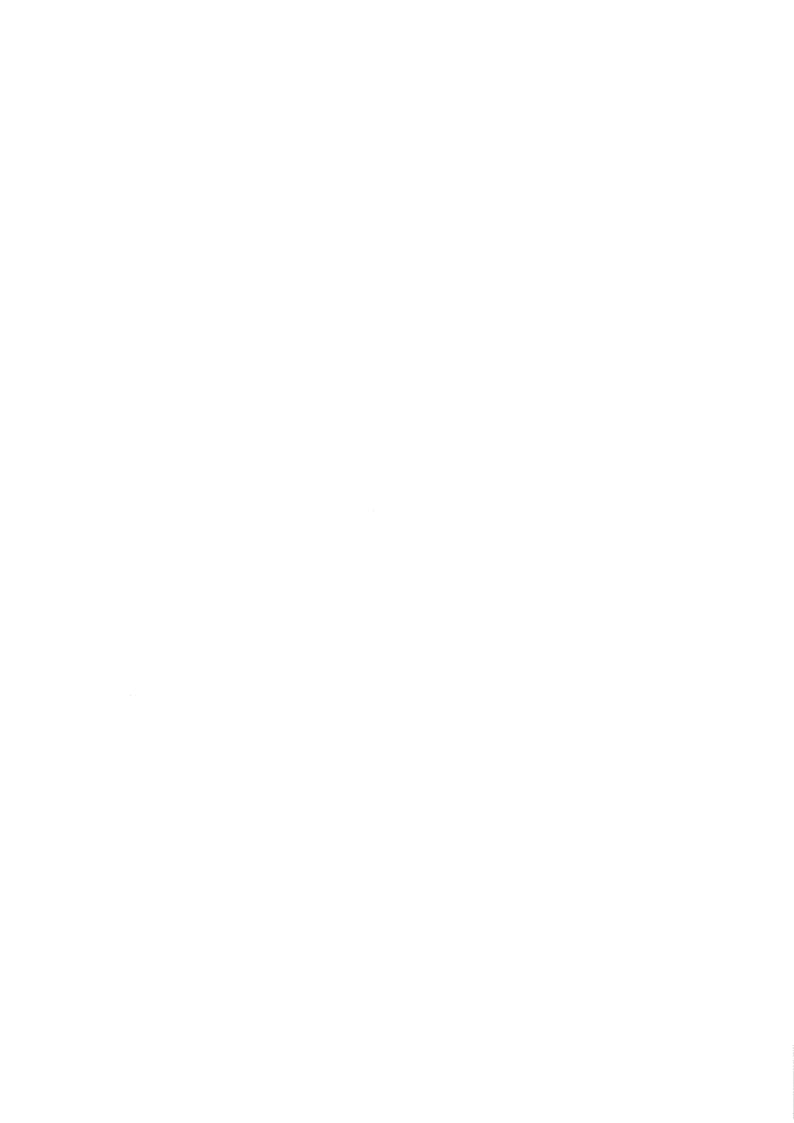
In previous studies, employment and unemployment among urban Chinese women has not received much attention, especially the fate of women during the restructuring of state-owned enterprises. Although some studies on unemployment issues in China do exist, as well as some covering women's positions in joint-ventures (mainly young female workers), the academic world has yet to explore how middle-aged women are affected by industrial restructuring, how the new employment contract system affects women in the child-bearing category, how women's employment rights are violated by 'economic efficiency', and what the ideology on women's work in transition societies is. These issues are this paper's major concern.

### 1.5 Organization of the Paper:

Five chapters are framed to address urban women's employment and unemployment in the age of economic transition. This paper will be structured as follows: Chapter 1 will form the introduction, including the statement of the research problem, the objective of the research, the significance of the study and the research methodology. Chapter 2 will present the analytical framework that will form the theoretical base for the rest of the chapters.

Chapter 3 will focus on China's industrial restructuring policy and its impact on women's employment. Why industrial restructuring is necessary, how state-owned enterprises are being restructured and how it affects women's employment will be discussed therein.

Chapter 4 will discuss the effects of industrial restructuring on women's employment in Shanghai. Shanghai's position in China's socio-economic map will be presented, and the challenges and the new opportunities that women there face during the period of transition will be analyzed as well. The situation of unemployed women in the city and their concern towards re-employment will also be discussed. The final section in the chapter will stress the Shanghai authorities policy responses and the reactions of the mass organizations towards the issue of women's employment and unemployment. Chapter 5 will form the conclusion.



#### **CHAPTER 2**

# Women's Unemployment and Employment in Societies in Transition: An Analytical Framework

#### 2.1 Introduction

When I look at the position of women in China from a global perspective, I found there are many features in common amongst the post-socialist countries. Thus, I started by thinking about the root cause of these similarities, especially why women became the vulnerable group during the transition era. Keeping the question in mind, I researched the history of women's participation in socialist economic construction as well as the ideological background informing it. The following are my main findings.

## 2.2 Salient Trends in Women's Employment and Unemployment in a Transition Era

In socialist economic systems, such as the former Soviet Union, East Europe and China, central planning was the major focus of the economic operation. Full employment was guaranteed by the government and women's participation in paid work was encouraged. Meanwhile, the low wage and high employment policy also pushed women out of the household in order to be 'breadwinners'. As Rudolph *et al* argues:

The East German constitution declared that men and women not only had the right to work, but also the obligation to work. The ideological pressure on women to look for employment was considerable. This was reinforced by economic pressures. Low wages paid to men acted as a strong incentive for married women and for single women living at home to be gainfully employed. In addition, the logic of the planned economy, relying on an extensive use of resources, produced a persistent scarcity of labour (1994:16).

Thus, full-employment and a high proportion of women's employment in former socialist countries cannot be separated from the logic of socialist planning. In order to absorb more female workers into the public sector, the countries' welfare system provided housing, paid maternity leave, child-care, health-care and other necessary facilities for lower costs or for free.

From the late 1970s to the 1980s, almost all socialist countries were entering the transition era. States were no longer adhering strictly to the central planning system. Decentralization and privatization became the key elements in the transition from state-led to market-led economic systems. Efficiency was emphasised in the production sphere.

The major change in the former socialist countries is the shift from state planning to market-based decision-making. Government-sanctioned monopolies are now under pressure to increase efficiency and workers are no longer guaranteed employment. Consequently, inefficient firms have had to close, and unwanted or unproductive workers have been laid-off. The transformation process has therefore resulted in high unemployment and large losses of income throughout Central and Eastern Europe (Aslanbeigui et al; 1994:2). As Nolan argues, the economic reforms have created four potential sources of large-scale urban unemployment: 1) pressure on enterprises to cut costs by reducing disguised unemployment (which is reported to be substantial) and the granting of powers to enterprise managers to dismiss employees on disciplinary grounds; 2) the replacement of permanent employment with employment on short-term contracts, and an increase in temporary employment, thus allowing more scope for short-term lay-offs; 3) the possibility of bankruptcy for loss-making enterprises; and 4) the increasing possibility of mobility for employees between enterprises, by choice (1990:12).

Since 1990, female unemployment rates in most of the post-socialist countries has shown an upward trend. In the Russian Federation, women constituted 78 per cent of all the registered unemployed in mid-1992. In Croatia, Lithuania, Poland and Romanian too, more women are unemployed than men (UN ECE, Oct. 1994). It is clear that women are the main 'losers' on in the labour market in all transition economies. As, during the process of privatization and decentralization, cuts on women dominated 'low-skilled' and 'low-productivity' jobs is a common strategy. A survey carried out by the ILO between the years 1990-1993 in the East-Central European region, illustrates a marked tendency in managers towards a more or less pronounced preference to men in recruitment, even in the previously 'women-dominated' light industrial branches. Gender division of labour is reinforced by pushing women to 'feminized' occupations and lower paying jobs. Female workers are more likely to be made redundant, with important implications for women's reproductive work. Moreover, when enterprises have shifted the reproductive responsibility to society, commercialized forms of reproductive welfare services have emerged. Women's double burden thus became obvious to those women who could not afford to enjoy these services. The primary female role of wife and mother is reinforced during the restructuring process.

Although the precise form and context of reforms differ in each country, several similar themes about the impact of reforms can be discerned. First, while female workforce participation trends in post-socialist and developing countries vary, these trends have the same effect on the relative well-being of women. Discrimination in hiring, limited opportunities outside low-paying sectors, and over-representation among the unemployed are common repercussions of restructuring (Aslanbeigui *et al.*, 1994:4). Indeed, women are sharing a large chunk of the cost of the economic transition/restructuring exercise.

## 2.3 Women's Work and Socialist Ideology

A universal feature of women's work and employment is its ideological underpinnings regarding gender. Gender, as Lerner defined, is the cultural definition of behaviour defined as appropriate to the sexes in a given society at a given time. Gender is a set of cultural roles. It is a costume, a mask, a straitjacket in which men and women dance their unequal dance (1986: 238).

A gender hierarchy informed the production process itself. The ideology of gender decided the type of job, the grade of work, and the wages workers received. Work and who did it was based on perceptions of the different abilities of women and men; one group became suitable for certain trades but not for others; men got the better jobs because they were men, and the jobs that men did, were in any case considered better than those done by women. Women entered servicing and caring work and such other employment which was deemed low skilled and was low paid (Eviota, 1992:26).

Gender division of labour in the waged sector is closely related to that within the household: a substantial number of women are in unpaid labour and men, in paid labour. Occupations are divided into a hierarchy, a constant feature of human society. Within the household, women traditionally take care of children, the sick and the old, they cook, clean and shop, all this is 'women's work' and, in many societies a man taking responsibility for such cases is in danger of losing his dignity, of being 'unmanned', (Elson, 1992:172). Women's work in the household is labour-intensive, time-consuming and repetitive and in general acceptance of male authority. As Jackson points out, 'housework is work without boundaries or limits, with no clear beginning and end points, with no guaranteed space or time for leisure', and it is 'monotonous, repetitive, unstimulating, isolating, tiring and never-ending' (1993:185). Since the ideology regarding women's essential role considered domestic work to be a woman's natural obligation, such labour is often undervalued.

Within wage-labour, men and women are segregated into different types of jobs. For example, women predominate in jobs like packing and assembly, while engineering jobs are monopolised by men. This division partially overlaps with another - the division into low-paid and well-paid jobs - because in general the jobs where women predominate are more poorly paid than those from which they are excluded (Hensman, 1988). 'The

hierarchical division of labour between men and women and its dynamics form an integral part of dominant production relations, i.e., class relations of a particular epoch and society and of the broader national and international divisions of labour' (Mies, 1981:7).

In China, since the birth of the communist regime in 1949, the Chinese government has effected a 'low wages, high employment' policy. The government wanted to pursue the objective of zero unemployment in socialist society (as anticipated by Marx and realized by the means of nationally-prescribed policies). Women's participation in economic activities was encouraged. As Mao Zedong said, 'Without women's participation, nothing can be done in the world'<sup>1</sup>, and 'Women's great work firstly is in the economy. Production cannot proceed without them'<sup>2</sup>. From the 1950s to the 1960s, the emancipation of the female labour force was in fashion. Mao's words, 'Time has changed, men and women are equal. Whatever men can do, women can do too' gave Chinese women an impetus to work as hard as men in every field. Therefore, Chinese women's paid employment rate was one of the highest in the world (above 80%); they represent 44 per cent of the total labour force in China (Wu, 1995). Traditional gender division of labour and gender discrimination were criticized. Although in reality women and men were never equal in employment (this will be discussed later), their lifetime employment was guaranteed by the government under the socialist employment system. The Chinese people called it the 'iron rice bowl'.

However, the equalized socialist employment policy did not eliminate the gender hierarchy. Gender relations as well as the society's power relations maintained their traditional form, in which women remain the main responsible agents for reproduction. Since the reform, ushering in the boom in the market economy, gender roles in the family and the society are emphasized along with the divide of classes, regions and social groups. Gender division of labour, both within and outside the household, is reinforced when viewed traditional Chinese ideology 'Men are the masters of the extra-family affairs while women are the masters of inter-family affairs'. The woman's ideal role as a stereotyped 'virtuous wife and good mother' became a new fashion. Many enterprises withdrew child-care facilities and began to privatize reproductive work, in order to cut down their productive cost. It reinforced the woman's essential role in the society that of wife and mother. Meanwhile, some professions - that of secretary, typist, public relations officer, clerk, etc. took on the mantle of 'women's jobs'. Many situations-vacant columns advertise for good looking young women, regardless of other qualifications. 'Femininity' becomes a kind of commodity.

Women's position in the labour market is changing along with her changing role in society, with the transition from a state-led to a market-led economy. Women in post-socialist countries are equally educated as are men. However, 'their education does not match the low-skilled positions they predominantly occupy and they are an easy target for employment cuts. The gender contract is still very traditional, leaving women with the principal responsibility for managing household resources. They are thus directly affected by the collapse of the socialist welfare system' (UN ECE, 1994: 2).

Given that the ideology viewing reproduction as women's work had never disappeared under socialism, when the economic reforms called for efficiency, the ideology came into function immediately. As Eviota has pointed out, 'Ideology is socially determined yet remains unconscious in its determinations. It is a taken-for-granted sphere of social life but an ideology of sex and gender, as any other, is an integral part of a gender-organized

Mao. Zhou, Liu. Ahu on Women's Emancipation.

<sup>2 &</sup>quot;Letter to Central Women's Committee", 8 February 1940.

social world. It gives meaning to roles women and men play within the social totality'. However, 'ideology does not simply happen; a dominant ideology of what is normal, natural and desirable is intertwined with dominant interests within the social system. Ideology as process, therefore, is a dynamic representation of social, political and economic conditions and the place of gender within these conditions' (Eviota, 1992:25). It is clear that the ideology which propagated with the gender division of labour, pushed women into an inferior position.

## 2.4 Gender and Skill Definition

It is difficult to measure the degree of skill and intensity of labour among different kinds of productive labour since the results of such work, i.e., the different sorts of products, are physically incommensurable (Itoh, 1995:54). Thus, when gender division of labour is a continuing fact of society, the notion of skill becomes a political issue. Gender inequality in the labour market is always associated with the notions of skill.

In sociological terms, all skills are socially constructed, since even 'genuinely' skilled jobs are not simply derivatives of a god-given technology. The issue hinges on the basis on which jobs and skills are constructed, and whether the criteria by which workers are differentiated and jobs defined, are relatively independent of the real or 'technical' skill content of jobs. For example, is the process by which jobs become defined as women's work as opposed to men's work independent of the changing nature of jobs and a way of maintaining male privilege. or, of 'making jobs which are in some senses becoming more alike into genuinely non-comparable tasks' (Phillips and Taylor, 1978; Wood, 1986: 18)?

In China, gender inequality in the labour market is also related to the notion of skill. For example, the official statement, 'Women's Situation in China' emphasises that 'In China, workers working in the same occupation with the same skill level get the same income. However, because of the literacy level, skill qualification and the occupational structure differentiation between male and female workers, their actual incomes are different. According to a survey in 1990, in urban areas, male and female workers' average monthly incomes are 193.15 Yuan and 149.60 Yuan, respectively. Women's average income is 77.4% of men's <sup>3</sup> (emphasis added).

Table 1: Laid-off Women's Education Structure

Education level	Number	Per cent
Semi- / Illiterate	5	0
Primary school	20	3
Junior middle school	346	65
Senior middle school	107	20
College/University	18	3
No answer	29	5
Total	525	100

<sup>3</sup> News Office of the State Council, People's Republic of China, June 1994, P.13.

Source: Survey of laid-off Female Workers, United Survey Group of Shanghai Women's Federation and the Female Worker's Committee of Shanghai General Trade Union, 1995 (unpublished).

Table 1, illustrates that the level of education is not as important as I had perceived it to be. In a city in China like Shanghai, people usually received at least a junior secondary school education, if they were born after 1949. So, what is the reason for more women losing their posts than men? The government's statement gave me some insights. The government is aware that women are paid less, and the reason cited is their lower qualifications. Table 1 pinpoints us that the education level of the laid-off women is not very low: 89.71 per cent of them have received a junior-middle school education or more. Since more women than men are in auxiliary jobs which are usually defined as unskilled, semi-skilled and less productive, therefore, women workers cannot get highly paid. With regard to the lay-off issue, women are also more likely to be defined as redundant labour when they are doing auxiliary jobs.

### 2.5 Double Burden and Discrimination in the Labour Market

Women's double burden is that they have to shoulder both productive and reproductive responsibilities. Feminist scholars have developed the concept of reproduction as an integrated tool of analysis. The concept of reproduction has two meanings which are inter-related: a) Biological Reproduction: giving birth, daily maintenance of the labour force; and b) Social Reproduction: the perpetuation of social systems (Beneria and Sen, 1981). The cultural definition of gender links biological reproduction with domestic work and maintenance of the labour force. State policies and practices help perpetuate the system according to which women bear the major burden in reproduction. Therefore, whether the state supports or withdraws services to women in their reproductive roles, the aim is the same: that is, for the maintenance of the regime. No attempt is made to force men to take on a fair share of such responsibilities. As Elson argues, 'both paid and unpaid work compete for women's time, and in the conditions typical in countries attempting to stabilise and adjust their economies, there is pressure on many women to increase both their paid and unpaid labour inputs', (Elson, 1992:176). For the economist Ingrid Palmer, women's unpaid work in reproduction and family maintenance can be seen as a 'tax' that women are required to pay before they can engage in income-generating activity (cited in Bakker, 1994:5). Under the planned economic system, labour force distribution and wages were highly controlled by the government. But the household reproductive labour was regarded as a woman's private obligation. Although the Chinese government has provided some support to women in the past through the socialization of housework, this was never been valued as an aggregate. However, an estimate showed that women's unpaid contribution in reproduction comprised one third of China's GNP (N. Zhang, 1993:21). The Chinese economy largely ignores the unpaid labour of women in caring and reproduction tasks and the contribution of these to aggregate levels of economic activity and human development.

Women's reproductive role became the obstacle to their employment in China, as elsewhere. Due to the principle of 'economic efficiency', some of the government support to women in their reproductive roles have been withdrawn. This puts women in a disadvantaged position in the competition for jobs, as society still expects then to perform their familial role rather than pressuring men to share the burden. Therefore, there is an increased resistance to women's employment in a male-centred society. Especially so, when this society largely withdrew welfare facilities for women and children.

Under the pretext of economic efficiency, 'enterprises managers who are responsible for the profitability of their

enterprises have been cost-conscious. One of the most obvious ways to economize is by reducing labour costs, either by cutting social welfare benefits (many of which are for mothers and children) or by firing women who are entitled to these benefits' (Heyzer and Sen, 1994:341). According to an investigation of 52 enterprises in the Jiangxi Province by the Department of Women Workers of the All-China Federation of Trade Unions, 1,217 women workers have lost their jobs because of motherhood, accounting for 53.7 per cent of the deposed young female workers. The Federation has sent questionnaires to the top executives of 660 enterprises in eight provinces, municipalities and autonomous regions, querying their unwillingness to employ female workers. About 88.2 per cent of them gave the physiological reason as their excuse (Wu, 1995).

## 2.6 Women's Work in Socialist Market Economy and the Ideology of Efficiency

Socialism, which has been in the throes of a historical crisis since the 1970s, was unexpectedly driven into a defensive position and underwent severe trials. The Chinese economic reforms beginning 1978, the Eastern European revolutions of 1989, as well as Perestroika and the dissolution of the USSR, were all results of this crisis. Despite all their different features, they have one common policy element: to open the door to the West and to revitalise the economy by reintroducing the market. As a whole, post-revolutionary societies which aimed at socialism failed to make the centrally planned economic system work and have turned, more or less, towards the vitality of market principles (Itoh, 1995).

The socialist content of the concept 'socialist market economy' is provided by: 1) the public ownership of land and the major means of production, such as those employed by the State and other public enterprises, 2) the egalitarian distribution of income to maintain an egalitarian economic life as far as possible, and 3) the leadership of the Communist Party (Itoh, 1995). China's Socialist Market Economy is aimed at the effective coordination of the planned economy with market regulation. In the Socialist Market Economy, the state-owned sector dominates the economy; economic relations are dependent on the market operation; the price is determined through the forces of supply and demand for some other goods and services, but for all essential goods and services, there are still some price controls; and state planning is still involved at the macro-economy level. The distribution of the labour force depends on the supply and demand in the labour market. The government no longer guarantees jobs to all school leavers, as they did earlier. The employers have the autonomy to hire and fire their employees in order to achieve their economic aims.

The debate about whether 'women should return to households' and the 'periodical employment for women' shows that the male dominated ideology played an important role with respect to women's employment. When unemployment was on the increase in urban China post mid-1980s, there have been suggestions in the newspapers that married women with onerous household duties should be eased out of their jobs so that the young, especially young *men*, who are presently unemployed, can find jobs (Nijeholt, 1991). Statements such as 'Women participation in society's economic activities is too early', 'Women should take their household responsibilities', have been given some theoretical support<sup>4</sup>. Women's dignity and rights are being ignored. Since their interests are not in line with economic efficiency, women are protected less and less, while some of the earlier benefits under the previous system have been withdrawn. Women's employment is no longer

<sup>&</sup>lt;sup>4</sup> See Dai Qin: 'Reform and Women's Emancipation', <u>Guangming daily</u>, 10 March 1988; Chang Leren: 'Optimal Allocation and the Best Distribution', <u>Chinese Women Daily</u>, 11 July, 1988; Feng Chujun: 'For National Development need Sacrifice', <u>Chinese Women</u>, No.9, 1988; Shu Xi: 'My Suggestion towards Women's Way-out', <u>Chinese Women</u>, No.6, 1988; and 'Productivity Development and Women's Employment', <u>Women's Work</u>, No.9, 1988 (all in Chinese).

guaranteed but the household burden has become more and more heavy. People began wondering whether it was necessary for women to take up jobs outside their household.

During the discussion of the unemployment issue, in China, a popular voice frequently calls for 'letting women work period by period'. Meaning that, when women reach the age of having a child, they must quit their job in order to bear and rear children, until the young ones reach a certain age (e.g., can go to school), only then they can enter the labour market again. The arguments behind this suggestion are:

- it would be advantageous for the new-born baby and women's reproductive work can be done properly;
- it would be advantageous in terms of increasing the enterprises' efficiency;
- it can relieve traffic and other public facilities' burdens;
- it can solve enterprises' disguised unemployment problem and provide good conditions for labour wage system reform;
  - it can reduce household work burden, make family life happier;
- it would be advantageous for women's emancipation and beneficial to society and later generations (Shen, ibid 1988);
- it can relieve women's double burden and improve their status in society (Jing, 1993); and
- it can solve the unemployment problem and will be beneficial for society's stability (Fu, 1993).

Surprisingly for me, the suggestion of so- called 'periodical employment' is exactly a copy of the Japanese women's 'M' shaped employment curve. Data from Japan shows that this curve involves a rapid and high increase in the rate of participation of women in the labour market at the pre-reproductive age, and a sharp decline during the reproductive age, followed by a gradual increase after the child-bearing and rearing period. This means that many women workers quit their jobs when they marry or have children, returning to the workforce once their children become self-sufficient. In most cases, women return as temporary or part-time workers (Asian Women's Liberation No.7, 1986. 4:24-29). From the experiences of these women it is abundantly clear that once a woman quits her job, she will never be able to achieve the level that her male colleagues do both in terms of skills and income. It is thus obvious that the logic of economic efficiency operates at the cost of the woman's equal right to employment and a professional life. It is a fact that when women leave paid work to rear children, they typically experience a downward occupational mobility, moving into lower-level jobs when they return to work, showing that their 'human capital' is disregarded or under-rewarded (Witz, 1992). And, enterprises will no longer train female workers, since they are viewed as only temporary employees. Gender division of labour and women's subordination is interlinked with each other, therefore, gender inequality will be reinforced in each corner of the society.

The Chinese woman's achievement of her equality with men in the sphere of employment should never be undermined. The premise underlying the suggestion is that child-bearing and caring must be regarded as a shared responsibility between men and women, and between the state and the family. Only when reproduction is accepted as a joint responsibility, can a fair distribution of the reproductive tax burden be introduced, and help put an end to gender discrimination.

<sup>&</sup>lt;sup>5</sup> This pattern can also be seen in countries like the Netherlands.

### 2.7 Conclusion

This chapter has illustrated the historical and social determinance of ideologies regarding women's work. Under socialism, women's subordinated status was disguised behind claims of equal rights for both sexes in employment and state-supported services as well as entitlements in reproduction. This disguise was exposed as soon as socialist countries began to adopt market oriented principles and the logic of market efficiency. As pointed out by Walby (1986), women's employment, vis-a-vis that of men, cannot be understood without an analysis of patriarchal as well as capitalist relations and a consideration of the articulation of the two<sup>6</sup>. Women's experiences in the period of transition show that their position in the labour market is determined not only by capitalist relations and the workings of the market, but also by the systematic attempts of men to protect their paid jobs at the expense of women. The male domination of the value ideology stemmed equality between the sexes, placing women firmly in their reproduction force as a biologically determined role.

<sup>6</sup> Feminist writings defined patriarchy as male control over women's ideology, work and sexuality. The concept implies a rigid and unchanging system of male power. To allow for analytical flexibility, the concept of gender is chosen in this paper. Patriarchy will be used only when I illustrate the specific and unchanging forms of male domination.

#### **CHAPTER 3**

## China's Industrial Restructuring in the Transition Era:

## A Policy Framework

#### 3.1 Introduction

China's current reform effort is focused at improving the management of large-and-medium-sized enterprises as well the establishment of a modern enterprise system. There is absolutely no doubt that over 400 thousand state-owned enterprises play a decisive role in the national economy. However, difficulties and problems confronting these *state owned enterprises* have attracted special attention. With this in mind, the Chinese government has considered the continuous strengthening of the vitality of such enterprises, particularly the large-and-medium-sized, as the focus of economic structural reform, and has extended great effort in this regard. The past 15-odd years of reform have basically attempted to resolve the numerous problems faced by enterprises as a result of the traditional planned economic system. The state-owned enterprises have been the target of monumental changes, and most existing problems are the result of deep-rooted contradictions which are difficult to resolve.

## 3.2 The Problems Facing Enterprises

When the Chinese economy entered the transition period, state-owned enterprises were facing a challenge. For one, these were shouldering heavy long-term tax and debt burdens. On an average, between 1980 and 1993, the profits, taxes, energy and transportation funds paid by budgeted state-owned industrial enterprises accounted for 86 per cent of the national total, with actual profits retained representing only 14 per cent of their total yield of profits and taxes. Meanwhile, special conditions led to state-owned enterprises shouldering a heavy debt burden. According to the results of a recent investigation of such owned enterprises in Shanghai, Tianjin and 16 other cities, the capital of state-owned enterprises available for production and management accounted for a mere 4.61 per cent of their total circulating funds (Wu, 1995). The aim of restructuring state-owned enterprises is to release their burden and to establish a modern enterprise system.

Secondly, these businesses carry superfluous labour. Before the reforms, a large proportion of people were employed in non-productive jobs. To illustrate the point, the structure of an ordinary factory in China is presented below.

Table 2: Staff of a Chinese Factory

Professional category	Totals	%
Production staff	780	45.88
Ancillary staff (cleaning, checking)	520	30.58
Supervisory staff	150	8.82
Engineers and technicians	50	2.94
Administrative & political cadres	200	11.76
Total staff	1700	100

Source: S. Feuchtwang et al. (1988) Transforming China's Economy in the Eighties, p.112

The above table provides figures wherein production staff comprise just 45.88 per cent of total staff in a factory. The large number of unproductive workers has been a structural problem in Chinese industry since the implementation of the First Five Year Plan. It testifies to the nature of authority within the enterprise, which rests, as in the past, on a surveillance network rather than on technically qualified managerial staff. The uneven distribution of cadres reflects a clear imbalance between the various management functions: few technicians (less than three per cent of the staff), but many administrative and political cadres (almost 12 per cent). The retraining of the latter category, whose administrative skills are generally low, is a priority objective. Nationally, the educational level of cadres remains low: 70 per cent of administrative staff have completed junior secondary school (Feuchtwang et al, 1988, p. 114). Usually, smaller-sized enterprises face an even worse situation, because bureaucratic structures exist in every unit and therefore, the proportion of administrative and political cadres is relatively larger. Hence, although the promise of full employment was almost fulfilled in China, the country's economic development remained slow. Disguised unemployment was already an issue. There were more than 20,000,000 superfluous workers in state-owned enterprises alone (Wang, 1993:69-80).

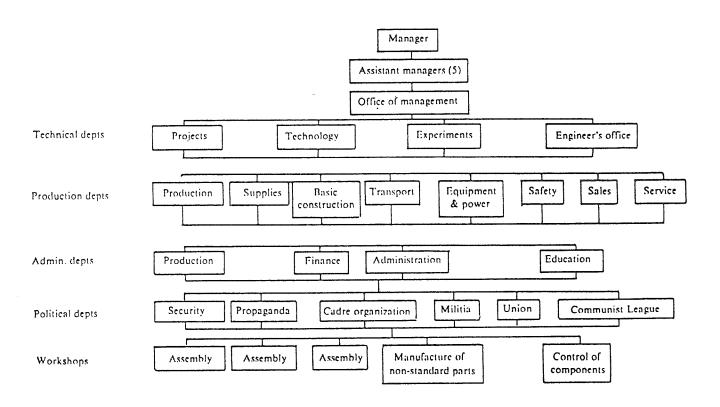


Table 3: Chinese Factory's Management System

Source: S. Feuchtwang (et al), 1988, Transforming China's Economy in the Eighties, p.113

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Thirdly, enterprises shoulder heavy welfare burdens. Each such enterprise in China is a small society in itself. Staff, welfare, as well as that of family is fulfilled within this society. The welfare system offered staff housing; paid leave at marriage, maternity leave, breast-feed leave, sick leave, funeral leave; comprehensive family medical cover, living subsidy; family coverage of funeral expenses, pensions, relief fund; subsidies for recreation and sports, collective welfare, family planning, house rent, transport, bath and hairdressing, etc.

Many old enterprises are carrying the heavy burden as they enter the arena of market competition. For example, the Shanghai Corduroy Factory is now confronted by competition offered by newcomers to the market, particularly foreign-funded and township enterprises that receive preferential treatment from the government; as a consequence, the 65-year-old factory, which operates with obsolete equipment, is gradually losing its market. This, in turn, has forced the factory to reduce its output and has declared one-half of its work force as redundant. Nevertheless, the factory continues to pay pensions to retirees, who number 1.3 times more than these in employment. At the same time, unavoidable losses have placed the factory in a precarious position. Many state-owned enterprises face similar problems. In many cases, their rate of development has failed to match that of non-state enterprises, and a considerable number are barely able to survive due to long-term losses. The former policy of 'full employment' has been the major cause for redundancies, now a major blockade hindering the development of enterprises and the focus of enterprise reform (Wu, 1995:7-14).

Table 4: The Financing of Labour Insurance Benefits

Benefit	Labour Insurance Fund	Work Unit	
Occupational injury &		Wages; Medical and hospital costs	
sickness		•	
Occupational disability	Pensions	Medical and hospital costs	
Occupational death	-	Funeral benefits	
Non-occupational injury/sickness	Allowances beyond	Medical and hospital	
sickness months	three - six months	costs; allowances for first three - six	
Non-occupational disability	Disability allowances/pensions		
Nonoccupational death	Funeral benefits for	Funeral benefits for	
	deceased retired pen-	deceased workers	
	sioners and lumpsum		
	payment to dependents		
Retirement	Pensions and allowances	Medical care	
Maternity	Birth allowance	Wages; Medical and hospital	
		benefits	
Sickness or death of	Funeral subsidies	Medical and hospital	
dependents		care	

source: John Dixon (1981), The Chinese Welfare System 1949-1979, p.43

Note: 1) for work-related injuries or illness: full pay during treatment; complete coverage of medical expenses and hospitalization costs. 2) Non-work-related injuries or illness: 60-100% of pay up to six consecutive months depending on seniority; 40-60% of pay thereafter; all medical expenses covered. 3) Maternity benefits: 90 days minimum maternity leave with full pay. 4) Personal leave with pay (all periods of leave being exclusive of travel time): a) annual home leave - 30 days to visit spouse, 20 days to visit parents (20 days once every four years for married workers); reimbursement for specified travel expenses; b) marriage leave - 3 days, 10 days for late marriage (women over 25-years-old and men over 27-years-old; c) funeral leave - 1-3 days at the discretion of enterprise administration (additional travel time allowed if appropriate). 5) Retirement benefits: 70-90% of basic wage depending on seniority. Men to retire at age 60, women at age 50. 6) Death benefits: a) work-related-funeral expenses: 3 months pay as a lumpsum; dependents' benefits: 25-50% of pay until recipients reach working age or die; b) non-work-related - funeral expenses: 2 months pay as a lumpsum; dependents' benefits: 6-12 months pay as a lumpsum depending on number of dependents (Josephs 1990:45). (The labour insurance fund was enterprises based.)

## 3.3 Restructuring of State-owned Enterprises in China

The restructuring process of state-owned enterprises in China can be divided into three stages. The first, spanning from December 1978 to September 1984, represented the initial stage of reform. The basic idea behind the enterprise reform experiment involved transforming the highly centralized planned economic management system, and enhancing the financial strength and vitality of state-owned enterprises by increasing their decision-making power, and by allowing more autonomy and concession on profits. In July 1979, the State Council published the following documents: 1) several regulations on Enlarging the Executive-Management Authority of the State-owned Enterprises, which gives enterprises the authority to introduce their own hire and fire systems; 2) The Regulation on to Carry Out the System of Allowing State-owned Enterprises to Retain a Certain Percentage of Its Profits, which is aimed at increasing the economic responsibilities of enterprises and to encourage greater working zeal. In May 1984, the state council promulgated the Provisional Regulations on Further Expanding the Decision-Making Powers of State-Owned Industrial Enterprises, thereby granting enterprises with autonomy in ten spheres, thus improving their efficiency and potential.

The second stage, from October 1984 to December 1991, featured an all-round unfolding of enterprise reform. Efforts focused on separating government functions from enterprise management, and proprietary rights from operational rights; defining state-owned enterprises as economic entities, operating independently and assuming sole responsibility for their own profits and losses; and establishing a diversified responsibility system.

The third stage, initiated in early 1992, involved a transformation from policy readjustment to the establishment of a modern enterprise system which adapts to the requirements of the socialist market economic structure. The goal was to establish a modern enterprise system adapted to the requirements of a market economy, with clear definitions concerning property rights and explicit obligations and responsibilities, separating enterprise management from government functions and applying scientific management expertise (Li, 1995:15-17).

## 3.4 Chinese Government's Policy Responses on Issue of Employment

Initially, the government introduced the Labour Contract System in 1986 with the aim of improving efficiency and increasing productivity. However, large-scale unemployment, particularly female unemployment which results from the restructuring of state-owned enterprises and the new labour system, caught the government's attention. Several policies were adopted by the State Council, with the special aim to correct this trend.

The Labour Contract System was adopted on 12 July 1986. The Provisional Rules for Implementation of Labour Contract System in State-run Enterprises and the Provisional Regulations on Implementation of Labour Contract System in State Enterprises were promulgated by the State Council. Under the policy of 'breaking the iron rice bowl', job tenure was replaced by a contract system that encouraged competition and increased productivity. This system may be described as follows. When a contract worker is hired, he must sign a contract with his employer. For regular positions, which require a worker to be hired on a long-term basis, it is possible to sign a long-term contract. It would also be possible to sign a short-term, three - five-year contract. If the worker's services are still required, when the contract expires, the contract may be renewed. In signing an employment contract, the parties must abide by relevant laws and policies of the State and uphold the basic principles of equality and voluntariness and unanimity arrived at by mutual consultation. In general, the main provisions should underline the terms of the contract, cover production and/or work responsibilities, the probationary period, compensation, labour insurance and fringe benefits, occupational safety and health, conditions for termination or modification of the contract, liability for breach, and other obligations and rights of the parties. While employed, the contract worker is the administrative responsibility of the employing enterprise. Once the contract is terminated, a worker with an urban household registration, comes under the management authority of his local labour service company. A worker with a rural household registration would return to his original commune and brigade (Josephs, 1990:150-151).

In 1988, the State Council adopted 'The Rules on Labour Protection for Female Workers and Employees'. After the restructuring, especially after the adoption of the Contract system, the unemployment issue became one of the major social problems and put the stability of the society in danger. The Chinese government (both at the Centre and the local levels) immediately reacted. The regulation emphasizes the equal rights of both sexes in employment access and prohibits the gender discrimination in labour hiring. This was followed by the introduction of the Chinese Women's Rights Protection Law in April 1992. According to it, there should be law, 'no discrimination amongst nationalities, races, gender and religions in labour employment'; 'women have equal employment rights with men. Except for those work places that are unsuitable for women, units shall not refuse to employ women on the grounds of gender or to raise the recruiting standards for women'; and 'no unit shall dismiss or unilaterally terminate a work contract with women employees on grounds of their marriage, pregnancy, maternity leave and child-bearing, etc.'.

In April 1993, some rules were made specific to the state-owned surplus employees. One is the Regulations for the State-Owned Enterprises Laid-offs' Insurance. By the end of 1994, 95 million Chinese people were enjoying their unemployment insurance. The insurance payment is limited to two years. If a citizen is unsuccessful in finding a job within two years and is living under poverty without the allowance, she can enjoy the social relief fund. One year later, in April 1994, there followed the Regulations on Arrangement of the State-Owned Enterprises Surplus Employees. The regulation requests enterprises to 1) put some efforts in finding suitable posts for surplus employees, preferably, the service posts;

2) to train or re-train surplus employees, paying wages during the training 3) to encourage female employees to take long-term maternity and child-rearing leave, having their wages or pension paid during this period; 4) to adhere to the rule that employees can retire five years before the official retirement age; 5) to encourage employees to resign; 6) to encourage surplus employees to take long-term leave as a 'waiting-for-position' category, lower their wage payment until they find jobs within the enterprises or in other units; 7) that they be aware of the fact that the labour contract can be terminated at any time.

Finally, the Labour Law of the People's Republic of China was announced in July 1994. It included all the major regulations adopted by the government in the labour employment sphere. Besides, the Labour Law outlines the country's new protective minimum wage system, and stipulates that employers must guarantee salaries that are not less than the minimum local wage standard. Legally, minimum wages are defined as earnings through labour which must adequately meet the living expenses of the employee and his family (Yang, 1995).

## 3.5 Industrial Restructuring and Its Impact to Women's Employment: Policy Implications

Since the reform came into effect, the relationship between enterprises and their supervisory bureaux and ministries has been transformed via the Contract Responsibility System (CRS). Under the CRS, enterprise managers are required to sign contracts to meet certain profit targets and their performance is rewarded in wage and bonus payments. However, contract provisions vary considerably from enterprise to enterprise, and various types of contract responsibility systems also are in operation. Thus, the degree of autonomy regarding production, hiring, and investment decisions varies considerably among enterprises (Singh, 1992).

The Chinese labour hiring system under the market economic system is characterized by 'indirect state control, independent enterprise hiring, free individual choice to be employed, market labour employment, competitive employment'. Since the aim of the manager is to seek more profit and to reduce the cost of production, consequently, the 'optimal labour composition' became a pretext for laying-off female workers. The policymaker did not pay enough attention to the situation of women workers. Table 5 shows the surplus female labour to be laid-off by different sectors in 1988.

When I reviewed the industrial restructuring process, I found that different stages of the process affected women's employment differently.

When enterprises were given autonomy in selecting their own employees, female school leavers found difficulty in entering the labour market. During the first stage (Dec. 1978 - Sept. 1984), the government expanded the enterprises' decision-making powers. 'Factories and other enterprises either demand higher examination scores from female secondary school graduates who apply for employment, or turn them down outright. Technical and vocational schools which take secondary school leavers discriminate against females except for recruitment to training courses in traditional female skills such as nursing, office work and kindergarten teaching. Even university graduates suffer from this prejudice against employing women' (Molyneux, 1990:40-41). One of the employers even said: 'We would rather take in a male hoodlum than a woman. A hoodlum can be reformed, but you cannot get a woman to give up child-bearing' (Zhao, 1993). Obviously, the gender discrimination in the labour market also affected women in the pre-market stage. Some universities have been considering reducing the number of female students to be admitted in the future.

Table 5: China's Laid-off Surplus Female Labour in 1988

Sector	% Female Force Laid-off
Commerce and service trades	82
Machine-building, metallurgy, petrochemicals, electronics, textiles, transport & communications	60
Electricity, power, post & telecommunications	35
All industries	64

Source: Beijing Review (1988: 19-20), cite by G. Summerfield 'Chinese Women and the Post-Mao Economic Reforms' in Women in the Age of Economic Transformation, 1994, p.122

It is clear that when enterprises have been asked to take full responsibility for their gains and losses, female workers are being laid-off. In the course of (October 1984 - December 1991), enterprises were asked to do precisely that, and the diversified responsibility system was established. Meanwhile, the contract system was adopted. In 1987, 20 per cent of the Beijing University graduates, sent by the placement office to various enterprises, were rejected because of their sex. In 1988, in the list of graduates of the Chinese People's University who were rejected by employers, 80 per cent were women (*Zhao, 1993*). In this stage, enterprises not only rejected female graduates but also began to lay-off any 'redundant labour force'. Since there are more females than males in auxiliary unproductive jobs, more women than men had been laid-off. Furthermore, the loss of many state-owned enterprises and the depression of many collective-owned enterprises caused the enterprises to shut down or to suffer insufficient production; this resulted in more workers losing their jobs. However, government policies did not seriously tackle this particular issue in time.

Since hiring became an important element in profit seeking, managers became increasingly concerned with labour costs. From then on, the relationship between managers and workers within an enterprise began changing as well. Managers have the authority to lay-off workers. Workers are no longer masters of the factories as they were before, but employees. Although they may still have some say, their voices are weaker. Significant retrenchment has taken place since 1989 and is likely to accelerate in the future. Since enterprises have the power to control their labour force, following the implementation of the contract system, employment for a woman no longer has any long term guarantee.

When the government pushed the enterprises towards profit-orientation, those threatened by redundancy and retrenchment became the vulnerable groups. The third stage beginning in 1992, separated enterprise management from government functions and applied scientific management expertise. This stage witnessed the gradual withdrawal of the State's responsibility towards provision of social security for retrenched workers.

Although the Chinese government established well-intentioned laws and regulations to protect female workers' rights, men and women continue to be unequal in the labour market. The female workers' disadvantages in the labour market are also related to the number of working years granted to them. According to the regulation in force since 1950, women retire at the age of 50, as against 60 years for men. I am not sure if this discrepancy arose out of a concern safeguarding women's interests, but it does affect their employment and the re-

employment of those laid-off negatively. In order to reduce superfluous labour, some factories urge women to retire at the age of 45 or even as early as 40. Therefore, many women encountered found some difficulty in going back to their jobs after maternity leave, especially in today's scenario when many women bear children in their thirties.

Women are at a disadvantage not only within the labour market but also in the pre-market sphere. Traditional gender divisions were reinforced through the structural and ideological biases inherent in policy and in the organization of society (Molyneux, 1990).

#### 3.6 Conclusion

In reviewing the Chinese government's industrial restructuring policies, I found the restructuring to be growth-oriented. Women have been affected differently during different stages of the process. The more autonomy the enterprises got, the more women were pushed into 'women's jobs' or became redundant and unemployed. As Elson has illustrated, development objectives are being defined in practice in ways that are more beneficial to men than to women. There remains the problem of male bias in the policy process itself. With few exceptions, women's interests are marginalised in the formulation and implementation of economic policy (1991).

Of course, government policies, especially those that were adopted in the 1990s are sensitive to women's interests, and more attention was paid to them and to other disadvantaged groups in society. However, these were formulated a bit too late, and again, these policies could not work properly, since they cannot be implemented in a practical manner. For example, in the Chinese Women's Rights Protection Law, there are articles that state that 'no enterprise can lay-off female workers during their pregnancy, maternity leave and child-bearing period'. However, so far, I have not been able to find any sanctions against those enterprises that have violated this law. Furthermore, there is no mechanism to monitor practices in hiring and firing.

#### CHAPTER 4

#### The Effects of Industrial Restructuring on Women's Employment and Unemployment in Shanghai

#### 4.1 Introduction

China's industrial restructuring largely affected employment of urban women as has been illustrated in previous chapters, in order to testify the effects on women's employment at a micro level, I chose Shanghai as the case region.

As the biggest Chinese city, Shanghai is today the most dynamic in terms of growth. With a per capita income of RMB 5,204 yuan, it is considered the wealthiest provincial-level unit, greatly exceeding Beijing (3,718 yuan), Tianjin (3,139 yuan), Liaoning (2,186 yuan), Guangdong (2,159 yuan) and Zhejiang (2,045 yuan). It is also considered the most productive provincial-level unit in China, with a per capita product of RMB 6,406 yuan (Beijing: 5,125 yuan, Tianjin: 3,761 yuan, Guangdong: 2,785 yuan, Liaoning: 2,697 yuan, and Zhejiang: 2,350 yuan) (Goodman, 1994:224-225).

Shanghai's economy is basically industrial. The secondary sector accounted for 64.28 per cent of Shanghai's economic output in 1991, while the primary sector accounted for only 3.89 per cent and the tertiary sector, for 31.83 per cent, both of which are considerably less than other provincial-level units (Shanghai Statistical Yearbook 1991). Comprising 1.1 per cent of China's population and only 0.1 per cent of its area, Shanghai used to provide one-fifth to one-fourth of the central government revenue. Between 1950-1983, Shanghai retained only 13.2 per cent of its funds while the centre took 86.8 per cent (Lardy, 1978 & Goodman, 1994:231). The importance of Shanghai to central government revenues was revealed during Mao's era, when production in Shanghai was protected, and the city remained relatively calm and one of the few places in China where goods were available during the Cultural Revolution. Furthermore, Shanghai contributed more than half a million skilled workers to other provinces by the early 1970s.

The centre changed its policies towards Shanghai, according to preferential policies in 1990, the key changes of which occurred in 1992. The opening of Shanghai's Pudong area was announced in 1990 by Premier Li two years later. Two years later, municipality was conferred with more authority to make decisions. The centre allowed Shanghai to issue stocks and securities and permitted trading of stocks issued in other Chinese localities. They also authorised the opening of foreign department stores and supermarkets in Pudong, China's largest free-trade zone, and the operation of foreign banks, finance companies and insurance companies in Shanghai. Meanwhile, tax rates for enterprises in the city were lowered<sup>7</sup>. This greatly increased the capital available in Shanghai. The centre now actively supports Shanghai because it believes a robust 'dragon head' will lead to a healthier dragon (Goodman, 1994:232) as articulated by President Jiang Zhemin in his report to the fourteenth National Party Congress:

We must take the development and opening of Pudong in Shanghai as the dragon head, advance another step to open cities on the banks of the Yangzi River and establish Shanghai as an international economic, financial and trading centre as soon as possible, in order to induce a new economic leap in the Yangzi River Delta and the entire Yangzi River Valley (12 October 1992).

<sup>&</sup>lt;sup>7</sup> Previously, it was very high. For instance, the Shanghai Cigarette Company alone paid as much in taxes as the whole of the Guangzhou Municipality.

However, Shanghai still faces many problems. Many state-owned enterprises remain inefficient. Industrial restructuring remains a priority (Goodman, 1994:248).

## 4.2 Patterns of Women's Employment in Shanghai

Shanghai, China's most populous urban area, has a population of 13,079,200 and a total work force of 4,903,500 persons. Women comprise 41.95 per cent of the labour force. Of the 2,057,000 women workers in Shanghai, 68.07 per cent work in state-owned enterprises, 21.51 per cent in collective-owned enterprises and 10.41 per cent in other ownership sectors (Shanghai Statistical Yearbook 1994).

Table 6: Shanghai Labour Force among Sectors

	Total	Female No.	Female %
Worker in Shanghai	4,903,500	2,057,000	41.95
Work with state-owned	3,524,700	1,400,300	39.73
Work with collective-owned	846,900	442,500	52.25
Work with other ownership	531,900	214,200	40.27
Redundancy	156,900	84,200	53.66

Source: 1994 Statistical Yearbook of Shanghai, Shanghai Statistical Bureau, Chinese Statistical Publishing House, Shanghai, 1994

According to Table 6, at the end of 1993, there were more than 1,400,300 female workers in Shanghai's industrial enterprises, 68 per cent of Shanghai's total female labour force. According to one report, in the 1990s, Shanghai's labour force will decline by 4.7 per cent in the primary industry and 1.9 per cent in the secondary industry, while it will increase by 4.6 per cent in the tertiary industry (Huang, 1992). This means that many women will have to learn new skills in order to facilitate a smooth transfer to the tertiary industry. The table shows the trend that in Shanghai, women's employment rates in agriculture and industry is on the decline, while in the service sector it is on the increase. That some women have gained and some are lost is also apparent from the table.

Table 7: Shanghai Female Labour Force Distribution among Sectors

Sector	Agriculture		r Agriculture Industry		Service	
Year	No.	%	No.	%	No.	%
1989	53100	2.6	1284000	60.5	782100	36.9
1990	56200	2.6	1288000	60.4	786600	36.9
1991	57300	2.7	1294800	59.5	824800	37.9
1992	16600	0.8	1290400	60.3	833400	39.1
1993	14500	0.7	1201900	58.4	840600	40.9

Source: Zhang Yan 'Development of the Tertiary Industry and Women's Employment', unpublished paper, Shanghai, 1995 (in Chinese).

As in other industrial centres, Shanghai women's participation in the economic activities of the country was quite high. However, under the mantle of commodity economy, enterprises seek profit maximization, tending to achieve high labour productivity by maintaining a small wage bill. Since compensation for child-bearing is part of the labour insurance, and because the percentage of women employees varies between enterprises, the outlay for child-bearing between enterprises is unequal. Which means, that if an enterprise has got a high proportion of female workers, it would lose large amounts of money. Therefore, comparatively high costs would be incurred on females employees on labour insurance. Based on information that was provided, ten ordinary workers can produce 200,000 yuan profits for enterprises, while ten child-bearing women can produce only 134,000 yuan (Liu, 1990). Once enterprises are granted the right to recruit their employees, and to improve efficiency and minimize economic costs, they would naturally prefer male employees to female. With the implementation of the 'labour contract' system, the number of persons dismissed or whose contracts are being terminated, is on the increase. A 1988 survey shows that 92 out of 100 enterprises wanted to cut down on female employees (Chinese Women and Development, 1993).

Obviously, the employment situation for women is worsening due to the high maternity costs to be borne by enterprises. However, it is important to point out that enterprises provide more housing to their male workers which amounts to much more than maternity costs. In view of the one child policy, maternity costs would account for as little as on paid leave, where as housing is an ongoing cost. This suggests that 'cost' is not the only reason for not hiring women.

## 4.3 Women's Unemployment in Shanghai

### 4.3.1 Trends in Women's Unemployment in Shanghai

Industrial restructuring illustrates that gender discrimination in employment exists. Those women in the 30 to 45 age group who shoulder the heaviest reproductive responsibilities for the families and society, became the first category to be laid-off and subsequently encountered difficulty in getting jobs. Even university graduates frequently find that employers prefer to hire men. In Shanghai, gender discrimination in labour hiring is also obvious.

Table 8 shows that, at the early stage of China's urban reform, the main category of unemployed comprised of graduates from secondary schools and above. Since the government no longer guarantees jobs, China's youth, like other age categories of groups have to seek jobs on their own. Therefore, new entrants encountered difficulty in obtaining employment, female graduates faced a serious challenge in finding jobs. It is clear from the 1984 statistics on female unemployment rates, which registers a rise from 58 per cent in January to 73 per cent in November, that female graduates were unsuccessful in finding employment that year. In most cases, the youth have a higher expectation of their ability to land jobs than others. On the other hand, it also shows that in China, jobs are still more or less regarded as permanent. Therefore the welfare system within enterprises also affected employment negatively. This is one reason why the youth preferred to remain unemployed instead of taking an 'easy-to-get' job.

<sup>&</sup>lt;sup>8</sup> Different ownership enterprises providing different welfare benefits, while efficient enterprises provide better welfare benefits. The self-employed secure no such benefits.

Table 8: Shanghai Unemployment Statistical Figures, 1984

Month	Unemployed	Female rate	Unemployed Graduate*	Female rate**
Jan	27363	57.16	26366	58.24
Feb	24503	59.74	23432	61.18
Mar	21793	59.51	20870	60.80
Apr	19603	57.49	18709	58.74
May	17114	58.89	16267	60.44
Jun	15919	58.67	15132	60.17
Jul	12483	59.51	11695	61.60
Aug	7119	61.15	6336	65.04
Sept	5576	64.72	4721	70.62
Oct	5043	65.73	4124	73.57
Nov	5150	66.29	4246	73.74
Dec	15819	63.86	14806	66.14

<sup>\*</sup> Graduate refers to those who graduated from upper secondary schools in recent years. The numbers in this column are included by in the total unemployed column.

Source: Shanghai Labour Bureau, Shanghai Unemployment Monthly Statistical Tables, 1984.

Ten years later (as Tables 9 and 10 show), the structure and the numbers of the unemployed are quite different. It is clear that, with every month a large number of workers changed status - being employed to becoming unemployed - and these workers were mainly from state-owned enterprises. Since a large proportion of female labour force exists within state-owned enterprises, and since most of them are in auxiliary jobs, during the restructuring process, a horde of female workers were seen as superfluous and were laid-off. In Shanghai, the laying off of workers was related to the implementation of the 'Optimal Labour Composition Program'. Initially, the programme achieved its objective of raising efficiency by improving the motivation and allocation of labour. The ability to re-allocate labour among activities within the enterprise and to lay-off superfluous workers for purposes of re-training or to form a reserve pool for motivating the core workforce is, in the view of some factory directors, improving labour efficiency and discipline.

<sup>\*\*</sup> Numbers in this column refer to female unemployment rates among graduates.

Table 9: Shanghai Unemployment Statistical Figures, 1994 (1)

Month	Total Unemployed	Unregistered Unemployed	Registered Unemployed (RU)
Jan	213764	78975	134789
Feb	216774	80109	136665
Mar	223592	83856	139736
Apr	222674	81623	141051
May	223951	81091	142860
Jun	227588	83027	144561
Jul	235063	88592	146481
Aug	233678	86286	147392
Sept	238487	89795	148692
Oct	237429	90350	147079
Nov	246992	98861	148131
Dec	242794	94296	148498

<sup>\*</sup> not seeking work through the government labour agency (mainly women).

In addition, Tables 9 and 10 have excluded 136,000 laid-off workers who were still on the 'employed' list and received a certain income per month (about 70 per cent - 85 per cent of their previous wages) from their employers<sup>9</sup>. Such persons themselves under the unemployed category cannot register in the local government's labour department: only those permanent Shanghai residents who have been laid-off and were unable to find another job in the next two years, or those who had a job can register themselves as unemployed.

The number of unemployed women is growing rapidly, although fewer women than men are registered as unemployed. If the unregistered unemployed are taken into account, the ratio of unemployed women to men would be much higher. Since many laid-off women fall within the child-bearing age category, it stands to reason that they would take some time off for reproductive work instead of seeking new jobs immediately. There is also a large female segment of women over 40-years-old, who are being pushed into 'waiting for retirement within enterprises' 10. Furthermore, the complicated registration process and the registration fees also burdened many from registering. If we club together those who have been with the unemployed, more than 60 per cent in that category are female (Ge, 1995 & ILO, 1994). Also, around 239,000 of the disguised unemployed in Shanghai are probably female (Shanghai Women's Federation, November 1992:7).

<sup>&</sup>lt;sup>9</sup> This was in accordance with the government policy of 'job losers mainly absorbed by the enterprises and the rest will be dealt with social assistance'.

<sup>10</sup> They can receive pensions from enterprises, but cannot register as being unemployed.

Table 10: Shanghai Unemployment Statistical Figures in 1994 (2)

Month	Female rate in RU*	Laid-off rate in RU*	Newly registered	SOE** New laid-off rate
Jan	45.44	30.81	18604	34.18
Feb	45.32	30.82	8916	49.88
Mar	45.17	30.88	12479	51.89
Apr	45.13	31.02	11479	51.76
May	44.95	30.93	12678	47.79
Jun	44.75	31.16	12049	48.80
Jul	44.49	31.15	11033	49.87
Aug	44.59	30.93	11303	50.09
Sept	44.21	31.04	11451	52.01
Oct	44.22	30.98	10227	46.98
Nov	44.08	30.86	12432	45.39
Dec	44.17	30.98	13079	44.21

<sup>\*</sup> RU refers to registered unemployed.

Source: Shanghai Labour Bureau, Shanghai Unemployment Monthly Statistical Tables, 1994

The bankruptcy of enterprises resulted in a large number of workers losing their jobs, while the restructuring of Shanghai city *per se* also resulted in the shutting down of many small collective enterprises which were female dominated. Further, the restructuring of the textile and instruments industries acted as the force behind many Shangai women leaving their jobs. Both of these industries are female dominated, therefore, when they decided to strike off a large proportion of workers, the main sufferers were women. It is expected that, within three years (from 1995 onwards), 200,000 female workers will be dismissed from the Shanghai textile industry because of the technical remould, and about 60,000 will be dismissed from the Shanghai instruments industry (Qu. 1993 & ILO, 1994).

## 4.3.2 The Characteristics of Unemployment in Shanghai

The Shanghai General Trade Union conducted a redundancies survey of 9,626 enterprises in June 1994. The results show that there are three main characteristics of unemployment in Shanghai.

First, according to the survey, the rate of laid-off female workers is higher than that of their male counterparts. In these 9,626 enterprises, 199,038 workers have been laid-off, of which, 112,022 were female (56.3 per cent of the total). Since female workers comprise 42.3 per cent of the total labour force, the redundancy rate is quite high.

Second, the current trend indicates that the older the woman, the more is she likely to be laid-off. Amongst those laid-off women comprised 54.8 per cent in the under 30's age group, 57.1 per cent in the 31 - 35 age group, 58.7 per cent in the 36 - 40 age category, and in the 41 - 45 age group, 61.5 per cent (Shanghai Women's Federation, 1994). Since some enterprises have special policies for those over 45-years-old, such as earlier retirement or waiting for retirement period, the laid-off percentage in this age category (51.3 per cent), was not as high as that in other age groups, although it is still high in itself.

<sup>\*\*</sup> SOE refers to state-owned enterprises.

Table 11: Laid-off Women's Age Structure

Age	Under 30	31-40	41-45	46-50	No Answer
Number	42	275	119	65	24
Per cent	8.00	52.38	22.67	12.38	4.57

Source: Survey report, 1995.

A survey conducted in 1994 by the United Survey Group of Shanghai Women's Federation and the Female Worker's Committee of Shanghai General Trade Union found that, the bulk of women laid-off fell within the child bearing age group i.e., the 31-40-year-olds. Nowadays in Shanghai, with the tendency towards late marriages, women have children later and later.

It is clear that enterprises do not welcome this category of women, as they cost more, many have more reproductive burdens, usually have a higher rate of absenteeism. For example, women's 'four period protection' mainly protects child-bearing and child-rearing mothers, encompassing such leave as menstruation leave (usually for IUD users), maternity leave and breast-feeding leave. It negatively influences women's work skills and efficiency. Therefore, most women between the ages of 30 and 40 lose their jobs because it is understood to be a period when women are defined as incompetent. Meanwhile, because of household burdens and traditional ideology, many women assist their husbands in their careers, and assume all domestic work as their responsibility. Since the stipulation of the 'one child policy', women are spending more time on bearing and rearing children. As gainfully employed women, their double burden makes them live under continual pressure, leaving them almost no time in which to improve their own working skills. The main reason for the decline in unemployed numbers of the 41-45 and the 46-50 age groups can be explained by the 'waiting for retirement within the enterprise' policy as well.

The survey also brings to focus a certain number of couples have been laid-off. Although the government has emphasized that both married partners cannot be laid-off, as it will affect the family's normal life, as many as 8,862 workers in these enterprises under this situation have been retrenched: 58.2 per cent of them worked in state owned enterprises while 28.7 per cent, in collective owned enterprises (Peng and Yuan, 1995). It is clear then, that with the employers' increasing autonomous powers to determine their units' affairs, the less the government is able to exercise control over the laying-off process.

#### 4.3.3 Laid-off Women's Situation and their Responses

Under the unemployment insurance system, the state provides security to employees who have lost their jobs temporarily. The system was established in 1986 at the time of the labour system reform, in accordance with the 'Provisional Regulations on Unemployment Insurance for Workers and Employees in State-Run Enterprises'. At present, unemployment insurance covers employees of bankrupt enterprises; those dismissed by enterprises on the verge of bankruptcy during the period legally set for their readjustment; workers required to leave after termination of the discipline in state-run enterprises. Enterprises contribute an amount equivalent to one per cent of the total payroll to the Unemployment Insurance Fund. The unemployed may receive an amount equivalent to anything between 50 and 75 per cent of their standard wage as unemployment relief, according to their work seniority and length of unemployment. They may receive certain subsidies if they are ill and need medical care. The period of unemployment relief is limited to two years for those with a work seniority of five years and one year for those with less than five years. The scope of unemployment insurance is gradually being expanded (ILO APRCLA, 1989:45). However, some of the unemployed have been unable to get enough money to cover living expenses, as they had been working in small collective units. For example, in one district of Shanghai, 173 couples live below the minimum living wage.

According to a 1994 survey conducted by the Shanghai General Trade Union and the Shanghai Women's Federation, there were a certain number of those laid-off who experienced difficulties in their daily lives. Some of them fell short of the minimum living standard. Although the Shanghai government's regulation announced that the minimum monthly income for such persons should be 165 Yuan, 35.2 per cent of them have a monthly income of 50-100 Yuan, 12 per cent get between 101-120 Yuan, 38 per cent get between 121-160 Yuan, and only 12 per cent have a monthly income of more than 161 Yuan, and three per cent have no income at all.

4,426 workers laid-off were by the Hongkou District Collective-Owned Enterprises Management Bureau, with an average allowance of 80 Yuan. Among laid-off workers in Luwan District, eight per cent got 55 Yuan, 12 per cent got 65 Yuan, 17 per cent received 75 Yuan, 15 per cent got 85 Yuan and eight per cent were given 95 Yuan. According to the statistics of the Zabei District Collective-Owned Enterprises Management Bureau, 721 couples worked in the factories under the bureau. Some unit leaders aided a few female workers to retire at an early age by fabricating a 'history of illness' for each (Survey Report 1995), so that they could benefit from their retirement insurance and were no longer a burden on enterprises.

According to the Shanghai Statistical Yearbook, the average income of its workers in 1991 was 3375 Yuan, while the average minimum subsistence requires 1366.32 Yuan. It is clear that the retrenched are living in a poor condition. Many families suffered: two couples in the Hongkou District Baihua Fan Factory are divorced and another two couples are in the process of obtaining their divorce, and this, in a factory with just a hundred workers (Survey Report, 1994). Unemployed women are also more likely to suffer from domestic violence (Survey Report, 1995). Further, unemployment has been the root cause in several cases of suicide (Fang, interview).

Information gleaned from many surveys has shown that women are extremely preoccupied with thoughts of reemployment. The Shanghai General Trade Union interviewed 525 redundant women, most of whom stated their willingness to go back to work. Of the sample, 208 of them have been out of work for one year, 180 for two years and 60 for more than 3 years. 71.4 per cent of them are currently seeking jobs; 19 per cent have part-time jobs, but by mere chance (Shanghai Women's Federation, 1994). According to a survey of 79 collective enterprises,

only 11.2 per cent of women laid-off work were able to get re-employment (Survey of Laid-off Women's Issues, 1995). The surveys also highlight interesting attitudinal trends related to women's abilities and chances of re-employment.

Women are used to depending on the state to assign jobs to them as citizens. While facing the employment challenge, many women tended to 'hope that the state and the enterprise will give women more care and benefits'. More than 30 per cent of them want to be 'dependent on the state's protection' (Li and Tan, 1991:95, 122-3).

Table 12: Laid off Women's Concern in Re-employment

Items	Number	Percentage	
Higher income	194		
Near home	164	31	
Stable job	175	33	
Light work	48	9	
Good social status	15	2	
Good future	79	15.	
Own special skill be used	48	9	
Work independently	16	3	
Relax environment	17	3	
Others	2	0	

Source: Survey of Female Workers' Laid-off Issue, by the United Survey Group of Shanghai Women's Federation and the Female Worker's Committee of Shanghai General Trade Union, 1994 (unpublished)

Furthermore, women who are unemployed prefer to get a job in the higher-ranking hotel industry or in good enterprises which offer more benefits and more higher incomes. Many women thus do not want to work in textile factories and environmental sanitation units. In 1986, the Shanghai Textile Bureau wanted to recruit 3,727 female workers, but only about 1,000 people applied, of whom 600 resigned after a short time (Dong, 1988).

Table 12 highlights that most women still have relatively high expectations regarding their own reemployment: higher incomes, proximity of workplace to home and a stable job, ranked highest at 37 per

<sup>11</sup> In answer to the question 'if your contract cannot be renewed, what will you do', only seven per cent of women workers answered 'will seek job by myself', 44 per cent of them answered 'I will be dependent on the state's arrangement' (Li and Tan, 1991:95, 122-123).

cent, 31 per cent and 33 per cent respectively.

According to a survey of the Shanghai General Trade Union, women were re-allocated in the following manner:

- 13.98 per cent got jobs through arrangements made by their office;
- 32.22 per cent were transferred to other occupations;
- 14.22 per cent managed to arrange for new jobs themselves;
- 24.05 per cent are waiting for re-allocation;
- 0.24 per cent are waiting at home for jobs; and
- 15.27 per cent comprised of 'others'.

## 4.4 Employment Creation and New Job Opportunities

Development, including technological change, is a contradictory process which both displaces as well as provides additional employment for women (Moghadam, 1992). During the process of industrial restructuring, many women were being laid-off or suffered untimely retirement. Meanwhile, the restructuring process also created some employment opportunities for women, due to the increase of job vacancies in the tertiary sector. Some specific categories of women, - the young, skilled and those who migrate from rural areas- have an added advantage in the job market and can expect better salaries.

The development of the tertiary sector has created more jobs for women. The structural changes in Shanghai's industries are aimed at developing a large tertiary sector. This sector is developing rapidly, and is absorbing more and more female workers. Although data does not show the age structure of the women employed in the tertiary sector, it is likely that this sector absorbs mainly young women in the pre-reproductive age bracket. As discussed in the last section, firms practice the hiring and firing of women, based on the assessment of the costs of reproduction. Table 13 shows clearly that the number of women working in the tertiary industry is increasing, especially in those rapidly developing departments like housing management, public service, finance and insurance.

Another source of paid employment developed as a result of women's self-organization. The local government, trade union and women's federations encourage and help unemployed women's self-organizations in income generation. It is common in Shanghai, that residential committees organize unemployed people, women in particular, to provide public services.

The community service is aimed at meeting various needs of the community: to serve the aged and disabled members, enterprises and institutions in the community. Until June 1994, 95 per cent of the streets committee and 86 per cent of resident committees established the community service centre in Shanghai. There are more than 8,500 such institutions and more than 10,000 service network stations. 632,608 people are working with such service institutions. Of these, 0.2 per cent belong to the state cadres, 93.8 per cent are retired persons, the unemployed 3 per cent and laid-off workers 3 per cent. Women dominate the service teams, and they have contributed greatly to make up society (Liu, 1995). Until June 1994, these service institutions had offered jobs to 26,000 unemployed and laid-off women. However, less than 12 per cent of such women are currently working with these institutions. The two main reasons for this are that these jobs offer low salaries and have a low social status (Liu, 1995).

Thirdly, new occupation opportunities have been opened up mainly for young women. According to many job advertisements, attractive young women have a better chance of finding jobs. Since the reforms, several

have been made available to these young women, as secretaries, public relations officers, hotel attendants, tourist conductors, and so on. According to Folbre, 'A major feature of increased female economic activity was that it had not been evenly distributed across industries and jobs; women are disproportionately represented in particular occupations, for example 'clerical and secretarial' and 'personal service' occupations (for example, cleaners and hairdressers)' (1992:138). Joint-ventures are also in favour of women. However, these occupations are considered for only *young* women; once they get older, they have to quit the jobs. The contract system helps employers to hire new, 'suitable' women and to fire the older lot, every few years. Such jobs with a short defined time-span, naturally cannot afford women stability in their employment.

The boundary between the urban and the rural has been broken, as employment opportunities are given to migrants. Prior to the reforms, the urban were kept under strict control, and it was very difficult for those from rural areas to get a job in the city. The reforms opened the urban border and labour rules became flexible and industrial restructuring made jobs in cities possible for peasants. This was the opportunity for the rural surplus to enter the urban labour market and, being almost free from household burdens, their labour cost less. Moveover they displayed a lower expectation to the jobs, and were naturally welcomed by most firms. Enterprises hire rural labour for manual jobs which are particularly strenuous, low in status or monotonous, for which they are unable to get labour; the urban youth prefer unemployment to such jobs.

Table 13: Increasing Participation of Shanghai Women Labourers in Tertiary Sector(1982/1990)

Sector	1982	1990	1990 as a % of 1982	Annual %
Transport/ Communication	77348	66289	-14.8	-1.9
Commerce	239848	338054	<b>4</b> 0.9	4.4
Housing/Public Service	62304	140809	128.0	10.7
Sanitation/Sports/ Welfare	87296	113458	30.0	3.3
Education/Art/Media	189728	179602	28.5	3.2
Science Studies/ Technical Service	26881	34556	31.0	3.4
Finance/Insurance	8567	16944	97.8	8.9
Party/Gov. Offices	94584	77836	60.2	6.1

Source: Zhang Yan: 'Development of the tertiary industry and women's employment', unpublished, Shanghai, 1995

Unequal development between China's urban and rural areas, as well as a large number of rural surplus labour, are the two main causes of rural-urban migration. In recent years, the large labour force, moving from villages to urban areas in China, became a 'reserved army' for the labour market. More than 35 per cent of them moved to China's biggest city - Shanghai. In 1993, 1,657,000 rural migrants working in

Shanghai, of which the female population totalled more than 430,000, a number that is higher than the total number of unemployed urban women in the city (Tang, 1994). The number is increasing at a rapid rate. Since such labour is forces normally much cheaper and easier to manage, many enterprises, especially foreign firm and joint-ventures, prefer to hire them as contract workers. For example, a toy factory has 3,175 workers, of which, 1,945 are female rural migrants; one slippers factory even has as high a percentage as 86.67 per cent (Yuan & Peng, 1995).

According to a survey of 100 enterprises in Shanghai, the 'peasant/workers' are willing to do those jobs which permanent staff shy away from. Most enterprises are of the firm belief that it is much cheaper to hire a peasant worker than to hire an urban, permanent worker, in terms of wages, welfare, labour insurance, housing, and so on. (Fu, 1992:46-47). Moreover, these workers are willing to work overtime every day without any complaints. Obviously, the migrants pose a threat to unemployed native Shanghai.

However, female migrant workers often face a great deal of overtime work, which impedes their chances of improving their skills for promotion. A sample survey shows that overtime work reached a peak of 117 hours per month. Joint-ventures favour the employment of women below the child-bearing age. Contracts are drawn up with these women for a five year period and are not renewable. Thus, although firms do observe labour standards regarding remuneration, their hiring practices reflect gender-specific dimensions (Truong et al. 1995).

### 4.5 Policy Response and the Role of Mass Organizations

Unemployment became a problem in urban China in the mid-1980s. Specific policies to tackle the problem were instituted by the government in Shanghai. The Shanghai General Trade Union and the Shanghai Women's Federation also took action. Many surveys, seminars and discussions were held around this issue, both in the academic world and through mass media. These efforts paid off and heralded policies which deemed that couples could not be laid-off together, the social security system fell under the agenda of the local government and so on. While these efforts have yielded some results, much remains to be done.

At the level of the Shanghai authorities, the policy response towards the unemployment issue is as follows. First, the 'Shanghai Regulation for Implementation 'of The P.R.China Women's Rights Protective Law'' was adopted by the Shanghai People's Congress in 1993. It announced that at each level, the people's government should (through various ways) try to provide good conditions for women's employment; encourage enterprises to hire middle-aged women; work towards women and men having equal employment rights, prohibit sex discrimination, and ban enterprises from firing women easily. Another important document is the 'Several Ideas for Re-employment and Guaranteeing Basic Living Standards for those Laid-off from Enterprises' proved by the Shanghai Municipal government. This contains practical measures, such as the minimum pensions, priority to hiring those laid-off, etc.

Second, the Almsdeed Foundation, for helping those with financial difficulties on account of being laid-off work was established by the Shanghai Civil Administration Bureau. The Foundation provided several hundred thousand yuan for free training, which includes computer literacy, accounting, household management, etc. Meanwhile, the Shanghai Airline Company, the Shanghai Pudong New Area Women Workers' Committee, and some other organizations kept aside the funds specially for training retrenched women. Currently, more than 2,000,000 people who are receiving adult occupational education, of whom, one out of three is female (Ge, 1995).

Third, the Regulation for Hiring Non-local Labour in Shanghai instituted in December 1993, was followed by several management measures in February 1994 and February 1995, by the Shanghai Labour Bureau<sup>12</sup>. Obviously, the aim of this regulator is to protect Shanghai citizens' employment, to guarantee certain sector's working conditions and the living conditions. It requests that employers:

- provide evidence that they could not find a suitable local labourer for the job.
- do not hire non-Shanghai residents in certain occupations, such as the finance, and insurance sectors, clerks, child-carers, taxi drivers, telephone operators, etc.
- must provide dormitories for migrant employees.

At the level of the Shanghai Trade Union, the first action was to actively participate in the policy making process, in order to protect women's employment rights in a fundamental manner. In early 1994, the People's Congress of Shanghai organized a drafting group for the Shanghai Regulation for the Implementation of 'The P. R. China Women's Rights Protection Law'. The Women Employees Committee of Shanghai General Trade Union was a member of this group. The committee collected information about problems faced by women employees in their workplace, and shared the same concerns with other group members. The Shanghai regulation included some practical articles which have not been made law as yet:

- It is prohibited to use mass media such as television, and the radio, to advertise such jobs that show a gender bias.
- Enterprises must follow the 'test principles'- age and sex must not be cited as reasons for firing women employees;
- Retirement age for women should be in accordance with the regulations issued by the state and local governments;
- Enterprises should find suitable posts for female workers who return to work after their maternity leave;
- Enterprises should take systematic steps to provide professional and technical training, to enhance job performance and job transition.

Since these articles are purposeful and adoptable, they were welcomed by Shanghai women. The organization also carried out a 'change mind project', to transform female workers' ideas on job hunting and the enterprises' idea of employees hiring. Since 1994, with under the slogan, 'competition obtains the posts, contribution determines the salary', the trade union organized various technical training courses in the fields of accounting, computer operations, domestic chores, dress-making and cooking. 1031 out of 3395 participants were successful in getting new jobs, and 321 of them volunteered to take difficult and 'lowly' jobs (Shanghai General Trade Union, 1995). Meanwhile, some enterprises changed their target age group and hired middle-aged women. For example, the Shanghai Airline employed 18 middle-aged stewardesses considered, in itself a challenge to the company's hiring tradition. Also, the trade union in conjunction with the trade union occupational service institution, and the service sector, to arrange for the re-employment of laid-off female workers. As early as 1988, the Shanghai General Trade Union established the first job agency; so far, 15 districts of the city have job agencies that have been initiated by the districts' trade unions. About 50,000 unemployed are registered in those agencies, and 17,823 of them have been successfully re-employed. Last year, there were 12,744 persons registered job seekers, 3,153 of whom got new jobs. The Textile Trade Union helped more than 16,000 female laid-off workers to get re-employed

<sup>&</sup>lt;sup>12</sup> i.e. Provisional Rules for Hiring Non-Shanghai Resident Labour Force in Shanghai Units, Opinion on Clean Up Non-Shanghai Labour Force in the C Sector, Management Measure for Hiring Different Category Non-Shanghai Resident Labour Force in Shanghai (13 February 1995).

(Peng, 1995). Lastly, the union established the Foundation for Women's Re-employment. The Women Employees' Committee of Shanghai Instrument Bureau Trade Union raised a fund of 20,000 yuan for the Foundation for Women's Re-employment. So far, the funds have been deployed towards: 1) free training for unemployed women;

2) loans for individual economic activities; and 3) opening a 'labour market' around 8 March in 1994 and 1995, to help middle-aged women get re-employment. This was in conjunction with the Employment Centre of Shanghai Trade Union.120 enterprises participated in the markets, more than 2,000 out of 8,000 unemployed signed contracts in the markets itself.

At the level of the Shanghai Women's Federation, the first action was to publicize the Women's Rights Protective Law of China and the Shanghai Legislation of Implementing the Law. Every year, on the International Women's Day (8 March), Children's Day (1 June) and 'Family Cultural Festival', the Federation uses the local mass media and other public space for propaganda on women's rights and protective laws. The effort was welcomed by the people of Shanghai. The second task of the Federation was the was the establishment of a women's rights protection department, in 1994. The focus of the department is on survey, research and consultation. Issues such as women's employment, female migrants and cases related to women's rights abuse, are the department's primary concern. Their working papers have been taken cognizance of by municipal government. Third the Federation got together with other agencies to help unemployed women in gaining re-employment. On 25 August 1994, the Federation, together with the Shanghai Labour Bureau, held a conference entitled 'Let's Help Our Sisters Find a New Job". The Shanghai Airline Company hired middle-aged, laid-off women as stewardess and made sensational news in the city! This action set off a chain reaction: Shanghai subway systems, supermarkets and hotels, also began to employ laid-off women (Shanghai Women's Federation, 1995). Lastly, several activities geared to women's economic empowerment were organised. Since 1989, the Federation has been holding championship matches for women, in order to empower them in employment competitions. Meanwhile, the organization also helped women to understand the reform policies, and to improve their skills in order to meet the needs of the new era. Towards this end, special courses were offered to train women for re-employment (Shanghai Women's Federation, 1993).

# 4.6 Conclusion

Economic reform to some people is akin to a sun rise, while to others, it signifies the sun set. Both challenge and opportunity are offered by these reforms. Industrial restructuring in Shanghai and its impact on employment has shown that gender and age play very important roles in determining people's abilities to meet challenges.

Shanghai women's disadvantages in the labour market are caused by - ideological forces:

- these overrate the cost of reproduction and ignore the one-child policy, by continuing to argue that the reproductive role results in absenteeism. This therefore affects productivity, as women's welfare and special protection costs are heavy, resulting in smaller profit margins.
- the natural role: The state withdrew its support to women in the area of reproduction, inspite of legislation to the contrary. This underlines the inefficiency of the legal system.
- Gender discrimination: This works as an invisible hand, pushing women out of the employment scene.

State responses to the policies have been positive, although some regulations did not come out in time. However, the implementation of the policy is always problematic, especially when its clauses are not implemented correctly. Furthermore, some issues have yet to be dealt with, for instance, the minimum percentage of female employees in a unit, different tax incentives for enterprises which have different percentage of female employees, and sharing of maternity costs which will guarantee women's employment as a policy, even before society establishes a well functioning welfare system. Surely, the establishment of social welfare system is one of the key issues in women's employment.

Trade unions and women's federations have been the most actively involved in issues concerning women's unemployment. Both the Shanghai Women's Federation and the Shanghai General Trade Union, have a well organized network for their activities. Their support to unemployed women has helped them in improving their living conditions and in actively seeking out new jobs.

However, the Federation as well as the trade unions are not in the habit of questioning government policies, and have little say in policy implementation. This is a major weakness of the two mass organizations. As representatives of women and workers, they should never hesitate in protecting their target group - they should never have their own voice. Sometimes, their viewpoint fell between that of the government and the people whom they are supposed to represent. While a state of conflict with the government is not always necessary, the government should be given a clear picture of the problems of women and workers. Difficulties encountered in their work and daily life, can be enunciated and an attempt to make policy makers pay special attention to these, as well as to influence their thinking, is imperative. During the *process* of policy implementation too, both mass organizations should display a concern for the people they are representing. For example, when the contract labour system was adopted, the trade union and the Federation should have overseen the implementation process and its effects on vulnerable groups.

Mass organizations can do a lot in the sphere of women's economic empowerment, as well. On-the-job training should be taken into account here. Of course, it is also important to train women who have lost their jobs: but, on-the-job training can help women to *keep* their jobs or for the job transfers. Meanwhile, a female labour market should be set up. There is a severe lack of information regarding re-employment, while enterprises themselves have insufficient information on labour supply. Therefore, a labour market information network can help in achieving an equilibrium between supply and demand.

Under the socialist market system, the development strategy should 'make the sexual and social divisions of labour more equitable'. The policy perspective should 'identify gender-biased projects, seek to strengthen women's positions in the labour market and at the workplace, and suggest ways to redirect government expenditure to support working women' (Moghadam, 1992). Shanghai, as well as other parts of China, are asking for the establishment of new rules of the game and for building a new market society.



# **CHAPTER 5**

## Conclusion

The economic transformation in post socialist countries caused an upheaval with regard to the position of women. Equal employment rights for the sexes, previously guaranteed by the state, have been violated to an extent. The major problem may be located at the level of ideology regarding gender and gender roles in society. Socialist states have always acknowledged gender inequality. However, strategies to achieve equality have been based on political commitment rather than an acknowledgement of how this inequality operates at the experiential level. Male control over socialist ideology has been detrimental to women. Hence, previous state support for women in their reproductive role in socialist countries did not change the ideology regarding their essential female role as mother and wife. Reproductive work is still regarded natural to the female sex. Therefore, when the states called for economic growth and enterprises asked for economic efficiency, by withdrawing social security, the state re-burdened women with their reproduction role.

Reflecting on the position of Chinese women during the transition period, it appears to me that Maoist Law had initiated the process for women's emancipation. Equal rights to employment, as well as in other spheres, had been granted by the state since 1949. In Maoist China, gender inequality was replaced by ignoring gender differences. The ideology of a woman's primary role as mother and wife, as well as the notion of women's work and skill, remained unchallenged, although the state did step in to support women's reproductive work in accordance with the full employment policy. Therefore, women's consciousness about the nature of gendered power will not awaken until the economic reform process becomes more comprehensive. This, at least, will make them realize the power of gender ideology. However, even when women have been largely affected by the industrial restructuring process, many of them tend to consider that their job loss as fated (Sun, interview). They do not realize that gender inequality was merely disguised prior to restructuring. Thus, I believe that women's employment cannot be treated as an economic issue alone. Surely, women's subordinate status in the labour market as well as in society, will not change because of economic development alone, as the market is not gender neutral. Hence, the issue of women's empowerment becomes increasingly important as their protection decreases under the market-oriented policy framework. To uphold and struggle for their rights in the reform process poses a big challenge to women in post-socialist countries; the premise being that an awareness of the root causes of their subordinate position is absolutely essential. Furthermore, women's empowerment presupposes that they themselves are aware of all the options open to them, and their potential consequences, so that they are able to take informed decisions. Women's interests will only be protected by their efforts, aimed at organizational structures.

In the case of Shanghai, the process of industrial restructuring and practices of the state and firms, clearly shows that the refusal to recognize reproduction as a societal responsibility, has allowed new forms of male politics to emerge in order to protect men's jobs at the expense of women. The policies adopted by the Chinese government to relieve the urban unemployment problem are positive and well-intentioned, although the sanctions against those enterprises that have violated the law, are still missing. However, implementation still remains problematic, especially in light of the greater autonomy accorded to the state and enterprises in determining their affairs. Mass organizations in Shanghai have done a lot to improve the employment situation for women. However, much remains to be done. Although, to articulate the voices of the people they represent is not a easy task, such organizations can play an important role, provided that they have autonomy in identifying key issues and in formulating policy proposals.

The gaining of equal employment rights for women is still a long way off, requiring an awareness among

people of the existing gender discrimination in all facets of society. At least in the post-socialist countries, more reflection is needed on the nature of gender ideology and how to overcome the problems it generates. In China, in spite of the emergence of the new market and firms, the state institutions still function. Therefore, I remain confident about the Chinese commitment to gender equality. This commitment must be directed towards new ways of thinking about gender discrimination and devising fresh methods to reverse these trends. The Chinese Socialist Market Economy has a real potential to protect the interests of specific categories of social groups. This calls for the establishment of the social welfare and insurance systems, which protects the interests of women at their work place. This will require a new perspective on reproduction. It should not be viewed as being solely a woman's burden, but as one to be shared between the state, firms and the family. To build a new market society, new rules of the game need to be established. The current political climate in China indicates that time is rife for mass organization to push this perspective.

#### **APPENDIX**

## Labour Laws and Regulations in China (1978-1994)

- 1. Provisional Regulations on Administration and Use of Subsidies for Urban Youth Employment and Labour Service Companies, 18 August 1983, Ministries of Labour & Personnel and Finance.
- 2. Provisional Rules on Employment of Urban Youth and Administration and Use of Subsidies for Labour Service Companies, 18 August 1983, Ministries of Labour & Personnel and Finance.
- 3. Provisional Regulations on Administration and Use of Subsidies for Urban Employed Youth, March 1984, Ministry of Labour & Personnel.
- 4. Scheme on Registration and Control of Urban Unemployed, 20 March 1984, Ministry of Labour & Personnel.
- 5. Methods of Registration and Administration of the Urban Unemployed, 20 March 1984, Ministry of Labour & Personnel.
- 6. Regulations for Students in Schools for Training Skilled Workers (Provisional), April 1980, State Labour Bureau.
- 7. Decisions on Strengthening and Improving Training of Apprentices, 21 May 1981, State Labour Bureau.
- 8. Provisional Regulations on Skills Tests for Workers, 25 April 1983, Ministry of Labour & Personnel.
- 9. Provisional Scheme to Deal with Certain Issues in Employment Training, 14 September 1985, Ministry of Labour & Personnel.
- 10. Recommendations on Improving the Training of Group Leaders in Enterprises, November 1986, State Economic Commission, Ministry of Labour & Personnel, State Education Commission, and All-China Federation of Trade Unions.
- 11. Working Regulations for Technical Schools Training Skilled Workers,11 November 1986, Ministry of Labour & Personnel and State Education Commission.
- 12. Provisional Regulations on Engagement of Technicians, June 1987, Ministry of Labour & Personnel.
- 13. Rules on Labour Administration in Joint Venture Enterprises in the People's Republic of China, 26 July 1980, State Council.
- 14. Regulations on Labour Administration in Joint Venture Enterprises, 26 July 1980, State Council.
- 15. Provisional Rules to Strengthen Work of Determining Staff and Production Norms in Enterprises, 20 May 1982, State Economic Commission and Ministry of Labour & Personnel.

- 16. Regulations on Rewards and Penalties for Workers and Employees in Enterprises, 10 April 1982, State Council.
- 17. Provisional Regulations on Recruiting and Accepting Best Applicants,25 February 1983, Ministry of Labour & Personnel.
- 18. Provisional Regulations for State Enterprises to Recruit Workers, 12 July 1986, State Council.
- 19. Provisional Rules for Recruitment of Workers in State-run-Enterprises, July 1986, State Council.
- 20. Provisional Rules for Dismissal of Workers and Employees Violating the Labour Discipline in State-run Enterprises, July 1986, State Council.
- 21. Provisional Rules for Implementation of Labour Contract System in State-run Enterprises, July 1986, State Council.
- 22. Provisional Regulations on Implementation of Labour Contract System in State Enterprises, 12 July 1986, State Council.
- 23. Provisional Regulations for State Enterprises to Dismiss Workers Violating Discipline, 12 July 1986, State Council.
- 24. Provisional Rules on Settlement of Labour Disputes in State-run Enterprises, 31 July 1987, State Council.
- 25. Provisional Rules on Bonus Tax in State Enterprises, 28 June 1984, State Council.
- 26. Provisional Rules on Bonus Tax in State Enterprises (Revised), 24 August 1985, State Council.
- 27. Provisional Rules on Bonus Tax in Collective Enterprises, 24 August 1985, State Council.
- 28. Tentative Scheme for Reform of Wages in State Enterprises, 13 July 1985, Ministries of Labour & Personnel and Finance, State Planning Commission, State Economic Commission, and the People's Bank of China.
- 29. Circular on Issuing Wage Standards for Workers and Employees in Large and Medium-sized State Enterprises, July 1985, Ministry of Labour & Personnel.
- 30. Provisional Scheme on Administration of Wage Fund, 24 September 1985, State Council.
- 31. Tentative Method of Administration of Wage Fund, September 1985, State Council.
- 32. Regulations on Levying Bonus Tax and Wage Adjustment Tax, State Council.
- 33. Circular on Wage Reform in State Enterprises, 5 January 1985, State Council.

- 34. Plan on Reform of Wages for Employees in State Organs and Institutions, 4 June 1985, Party Central Committee and State Council.
- 35. Provisional Rules on Regulatory Tax on Wages in State Enterprises, 3 January 1985, State Council.
- 36. Provisional Regulations for Adjustment Taxes on Wages in State Enterprises, 3 July 1985, State Council.
- 37. Ways of Dealing with Problems Arising out of Trial Implementation in Some Large and Medium-sized State Enterprises of Linking the Total Payroll to Taxes and Profits Turned Over to the State, July 1986, Study Group of the State Council on Wage Reforms in Enterprises, and Ministries of Labour & Personnel and Finance.
- 38. Rules for Workers and Employees to Take Home Leave to Visit Spouse and Relatives, 14 March 1981, State Council.
- 39. Provisional Regulations on Some Problems Related to Retirement of Senior Experts, September 1983, State Council.
- 40. Provisional Scheme of Retirement and Resignation of Workers, 2 June 1978, State Council.
- 41. Provisional Scheme for Settlement of the Aged, Weak, Sick, and Disabled Cadres, 2 June 1978, promulgated by the State Council.
- 42. Provisional Rules on Unemployment Insurance in State Enterprises, 12 July 1986, State Council.
- 43. Provisional Regulations on Unemployment Insurance for Workers and Employees in State-run Enterprises, 12 July 1986, State Council.
- 44. Provisions on Safety in Mines, February 1982, State Council.
- 45. Provisional Regulations of Safety Inspection of Boilers and Pressure Vessels, 6 February 1982, State Council.
- 46. Regulations on Mine Safety, 13 February 1982, State Council.
- 47. Regulations on Supervision of Safety in Mines, 13 February 1982, State Council.
- 48. Rules on Strengthening the Work for Prevention of Dust and Toxic Substances, July 1984, State Council.
- 49. Regulations on Prevention and Cure of Pneumoconiosis, 3 December 1987, State Council.
- 50. Regulations on Labour Protection of Female Workers, 21 July 1988, State Council.

- 51. Rules on Labour Protection for Female Workers and Employees, 21 July 1988, State Council.
- 52. Circular on Prohibition of Use of Child Labour, 5 November 1988, Ministry of Labour, State Education Commission, and three other Ministries.
- 53. Chinese Women's Rights Protection Law, 3 April 1992, National People's Congress.
- 54. The Regulations for the State-owned Enterprises Laid-offs' Insurance, April 1993, State Council.
- 55. The Regulations on Arrangement of the State-owned Enterprises Surplus Employees, April 1994, State Council.
- 56. The Labour Law of the People's Republic of China, 5 July 1994, State Council.

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