WTO AND CHINA’S WORKERS

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WTO AND JOB LOSS IN CHINA

1. INTRODUCTION

On December 11, 2001, China formally joined the World Trade Organization, a cause for rejoicing for the Chinese—and for us as well, we were told. Indeed, from the day the U.S. and the People’s Republic signed their bilateral agreement in November 2001, the publicity in both nations was almost nothing but positive, with much of the informed population in both places quite sanguine. China, it appeared, was set to become much more modern and prosperous. At the same time, American products were set to enter China free of most of the barriers posed against them in the past; American investors would no longer have to suffer discriminatory restrictions and requirements once they received the mandatory national treatment in sales, purchasing, distribution, transport and use that China’s WTO commitments demanded. The news media—especially when quoting the negotiators on both sides—told us repeatedly that what was achieved was a “win-win” deal.

But this so rosy picture would have turned much more bleak had the plight of the former state-employed workforce been carefully considered. To understand their situation, we need to go back a bit. Beginning in the mid-1990’s, the Chinese government enforced a policy of cutting back the workforce in a chase after efficiency. By the end of 2004, it was estimated by more than one reliable source even within China itself—if not openly published or announced—that something in the range of 60 million people had been dismissed from their work posts. So the “win-win” scenario could be supported only if a large portion of the literally dozens of millions of laborers who had by late 2001 already been “laid-off” in the previous half decade or so, along with the millions likely to follow, were to be simply discounted altogether.

In large part, it is fair to claim that the central government stood behind these discharges. And, in a way—if perhaps a somewhat circuitous one—the WTO was to blame as well. A short comment corroborating this claim is the following from a recent study conducted in the central Chinese city of Wuhan: “According to the analysis of informed persons, between 2001 and 2002, in order to speed up the establishment of the modern enterprise system and to deal with the assault we’re facing after entering the WTO, the petroleum, finance, metallurgical, and electrical power, and so forth industries began carrying out large large-scale employee cutbacks.”1 Indeed, in just the year 2001, over 1.4 million jobs were sliced away from those trades.2 More broadly, the Chinese government was well aware that to be admitted into the Organization, it would have to begin to remake its foreign trade regime in a direction compliant with that body’s regimen, just in order to be admitted—even well before China became formally subject to the regulations that bound its member states.

China first demonstrated its interest in becoming a participant in the global trade regime almost immediately upon its leaders’ determining that they should open the country—or, to be more precise, their early decision to open only a small fraction of the country initially—to the world market. As a leading scholar of this process has written, “The government’s desire to enter the GATT led it to initiate numerous concrete policy changes.”3 Right from the start those in the top decision councils recognized that China could not advance without open markets for the country’s exports, and without the expertise, technology transfer, and capital that would follow in the course of foreigners’ investing in the Chinese market.
So as early as 1980, China started sending officials to take part in commercial policy cases that were sponsored by the forerunner of the WTO, the General Agreement on Trade and Tariffs (the GATT). In the spring of that year, the country took up a seat on the United Nation’s Interim Commission for the International Trade Organization, charged with selecting the GATT secretariat. In the next years, China was granted the right to serve as an observer at a GATT meeting on renewing the Multifibre Agreement, which governed the global trade in textiles. At the end of 1982, the country was permitted to observe the ministerial-level session of GATT’s Contracting Parties, and after another year had passed, China was admitted into GATT’s Multifibre Arrangement, having already reached agreements on trade in textiles four years before with the European Economic Community. In both 1984 and 1985, the legal adviser to the Director-General of the GATT visited China by invitation, to convey information about the structure and functioning of the GATT, and, in mid-1986, the Chinese government formally applied to become a contracting member. With this intimate involvement stretching back over more than half a decade, China was by then well informed as to what full membership would entail.

China’s goals at that point remained steadfast up until its final accession into the World Trade Organization 15 years down the road. Most prominent among them were the following: to borrow foreign influence in bringing pressure to bear on its firms to become more efficient, in order to make the country into a modern, wealthy, and important player in the international market; to create the conditions whereby its exports would find open markets and to acquire the wherewithal, whether material or intellectual, to accelerate its development by an exponential growth through foreign investment; and to gain the ability, which the overwhelming number of its trading partners possessed, to appeal to a supranational dispute resolution mechanism in cases of disagreement. As China’s chief negotiator during the application process, Long Yongtu later recalled, “When the central government made the decision to join WTO years ago, the decision was justified by two judgments: one was it would be a strategic step for China’s integration into economic globalization; and two, it would mark a new era of the country’s opening-up to the rest of the world.”

There was often no prod from abroad demanding internal changes in China other than China’s authorities’ own uncoerced decision to join the WTO. Still, a case can be made that the so protracted process of negotiating to be accepted into that body in itself oriented the Chinese leadership to undertake one domestic economic reform after another. These reforms were, true, occasionally initiated as concessions under pressure during negotiations. But many other times they came about on China’s leaders’ own initiative—to accord either with the basic principles of the GATT/WTO (i.e., to conduct commercial relations with a minimum of obstructions) or with the explicit rules of that regime—all in advance of becoming a member. The moves included massive slashing of China’s tariffs, opening up to foreign investors of sectors previously closed to them, eliminating export subsidies, and removing strictures on licensing. As just two illustrations of the achievements, China’s average tariff rate was brought down from 56 percent in the early 1980s to 15 percent as of the time of admission; and the number of imports subject to quotas or licenses was cut by 80 percent as compared with the early 1980s.

As the leadership sought to fit the country’s economic structures into the WTO, it was to find that almost all of the rules to which it had to acquiesce would require that China totally alter the conduct of its foreign trade. This held whether it meant reducing tariffs and nontariff barriers (such as quotas and licensing), treating foreign firms no differently from domestic ones (national treatment), cutting back subsidies for both exporting and production, or removing price distortions. In the end, China jumped into the ring, conceding to “WTO-plus” conditions, in part to avoid a worrisome fate—being left out and behind. There can be no question but that every one of these moves spelled the dispensability and redundancy of unskilled labor—whether because of the new ease of entry for more high-quality, now cheaper foreign products, or because of the replacement of China’s unqualified,
undereducated human labor by higher technology, or at least by more technically-trained labor. As an unemployed informant told me, “A lot of factories have gone bankrupt because people prefer foreign-made electronics.”

It is only fair to explain here that there were a number of other forces behind the loss of long-held jobs. To tick off a few, first of all, there was the age-old socialist practice of implementing full employment in the cities (or a near approximation thereof). This meant that, as time went by, in time there were vast numbers of surplus urban labor, a phenomenon often referred to in China by the 1990s as “hidden unemployment.” From the late 1980s onward the government has claimed that excess labor in the cities amounts to as much as one third of the workers on the job.13

Other difficulties arose in the labor market as China began to modernize in earnest in and after the 1980s, as Chinese industry became progressively more capital-intense and as labor-saving technology started to replace workers.14 At the same time, the mismatch between the low-skill, undereducated workforce that a range of Maoist policies had fostered (not least the anti-intellectualism of the Cultural Revolution) and the state-of-the-art aspirations of the regime eventuated in an inexorable process of structural unemployment.15 With these forces working to crowd out human labor, the ability of economic growth to generate new jobs steadily declined, such that by the late 1990s for each percentage point of economic growth there was only 0.106 of a percentage point of employment growth, whereas back in the 1980s, a percentage point of growth in GDP had pushed up job numbers by about one-third of a percentage point, a figure three times as great.16 In the 1980s the rate of employment growth had been as high as nine per cent annually, but by the second half of the 1990s, this had fallen to an average of just 0.9 per cent annually.17 And one more, particularly critical new feature attacking the workforce in state firms in the 1990s was mounting competition, not just from imported foreign goods, but at home as well--both from domestic, non-state firms.18

But still, we can return to the intentional, state-driven root of the reductions: Even as demand-side factors were slowly but surely cutting back the numbers on the job, official efforts--by pilot programs, pronouncements, temporary rulings, regulations and, finally, laws--to remake the labor regime channeled and speeded up the influence of these factors. By the late 1990s, specific pressures had been placed upon the firms.19 The best evidence for this pressure is the quota system devised around 1997 to force factories to dispose of set percentages of their workforces. Upper-level authorities distributed the enterprises under their jurisdiction quotas for the number to be laid off, and used the fulfilment thereof as one basis for evaluating leading cadres’ work.20

The first experiments surrounding the labor system took place almost immediately after the Party’s official switch to a focus on rapid modernization in late 1978. As early as 1980, trial schemes in term-limited labor contracting were undertaken.21 Three years later the Ministry of Labor announced a set of temporary regulations on the contracting system. Besides, with the initiation of industrial reforms early in the decade--with their message urging money-making and high productivity, and with their granting of new financial and decisional powers to localities, firms, and managers, workers’ security became less certain.22 Little by little managers within the plants took advantage of their new powers and heightened autonomy sometimes to transfer workers, occasionally to let them go, a license that was further enhanced when these enterprise chiefs were allowed after 1986 to lease the firms that they had been directing.23 By the last half of the decade more and more layoffs were taking place.24

In the following year, the critical Third Plenum of this Central Committee convened in November, and it was this occasion that represented a real turning point. There was announced a “Decision on Issues Concerning the Establishment of a Socialist Market
Economic Structure” that laid out the goal of creating a full-scale market economy, albeit one quaintly still billed as “socialist”.25 At this same time, an attempt to restructure the system of enterprise ownership got underway, entailing the conversion of selected state firms into market-guided bodies, in the aim of establishing a “modern enterprise system.”26 But the real thrust of that policy was delayed for several years as overheating in the economy had first to be brought under control. Soon thereafter, however, China’s Labor Law was re-written in 1994, the first in the PRC to sanction firing,27 and in 1995, the old system of life-long employment was officially terminated.28 It was in these years, 1993 to 1995, and with these new pronouncements, that the hidden unemployment, whose disposal had been undecided for a decade by that point, was brought out into the open in force.29

Two regime-decreed austerity programs, one from 1988 to 1990 and the second over the years 1993-95, also constituted politically-induced circumstances that affected the fate of labor. Both times the contractions were instigated to squeeze out inflation that had exploded in the wake of over-vigorous growth spurts in the respective previous year or two. During those years, most firms were denied loans30 and the forced budget-trimming and plant failures that resulted drove out labor.31 When the second contractionary project was said to have cooled down the economy and a “soft landing” proclaimed in 1996, the goal of restructuring state firms picked up steam once again.32 Early that year a decision was announced to “grasp the large [firms] and let go of the smaller ones”—as, through sales, leasings and mergers [zhuada fangxiao].33

The story of labor shedding was again punctuated by a specific national-level convention in 1997. The meeting took two steps having a significant impact on the fate of the state-sector workforce: one was its emphasis upon and invigoration of the earlier drive to remodel state firms into share and limited liability companies; and the other was its explicit authorization of an enormous offensive of worker dismissals under the slogan, “cut the workforce and raise efficiency” [jianyuan zengxiao].34 Meanwhile, competition, added to the rising prices for industrial inputs that came with price reform, were undermining the business of the state sector, and massive losses climbed upward. In 1996, the number of firms that filed for bankruptcy rose markedly, and a full 45 percent of all state firms were dealing with deficits.35 In the first half of that year, state industry for the first time experienced an overall loss,36 and in the succeeding year more than half the state enterprises were struggling in the red.37 From the start of the decade until the time of the 1997 Fifteenth Party Congress, total state firm losses more than doubled, from just 34.9 billion yuan to 74.4 billion, eliminating jobs as they did.38 Nicholas Lardy’s figures show a startling increase from just six billion yuan in 1987, before the first austerity program, to 83 billion a decade later.39 Matching the intensifying drama of heightening losses went a progressive incline in the numbers suddenly thrown out of work.

Along with the dependents of those already unemployed, amounting to about another 100 million or so, this could mean that somewhere a fifth of the urban workforce (which is today in the range of about 300 million people) and perhaps a quarter of the urban population (which is counted as 400 to 450 million people, depending on how the figuring is done) were being ignored in the positive assessments. These once formal workers are overwhelmingly over age 35, unskilled, and, because they came of age during the Cultural Revolution—and so were deprived of an education past junior high—have been characterized as having a “low cultural level”. Moreover, even of those still nominally at work, some 70 percent were said to be owed wages, pensions, and compensation for medical expenses as their firms sank deeply into debt. With WTO entry and the heightened international competition it brings, along with a drive since the late 1990s toward buyouts, mergers, and spontaneous enterprise “collapses,” it is probable that many firms have simply disappeared, leaving their laborers in the lurch.
Combined with all of these other factors, the pressures exerted by China's moves to remake its own economy through fiat formed the background for a range of projections in the run-up to China's admission to the WTO. Despite a wide range of speculations and calculations, there was one point on which most observers agreed: entering the WTO would definitely affect China's agriculture and manufacturing negatively. And these were the very sectors prior to entry that housed some 80 percent of the country's labor force.

2. ASSUMPTIONS ABOUT THE IMPACT OF WTO ON CHINESE LABOR AND THEIR FLAWS

Undergirding these predictions and, one might say, making light of them, were a set of assumptions informing the popular discourse on the US-China trade deal that I proceed to examine and undercut. I conclude with some speculations and suggestions as to why, nearly four years on, it seems things haven't turned out to be quite as dire as I once thought. Here, now, are a few of the principal optimistic assertions about how WTO entry would benefit China that my research—which included interviews with city officials and dozens of unemployed people in China over a period of five years, plus stacks of Chinese journal articles—challenges:

No. 1: “More jobs will be gained than lost”

As noted already, according to China's Ministry of Labor and Social Security, labor supply was, even at the time of entry, greater than demand in the cities by more than 30 percent. True, many new jobs were created after China entered the WTO. Trade growth, industrial adjustment, and upgrading have led to additional employment posts, as has increased foreign investment in the wake of accession. As trade barriers fell and as foreign firms find it much more convenient to invest in China, however, they—as domestic firms in China also have been in recent years—are prone either to hire young, well educated workers, for their skills, good health, and general know-how and energy, or else to engage peasant migrants, for their willingness to serve as drudges for very low wages. So those getting new jobs—whether in banking, insurance, telecommunications, and hi-tech or else in assembly-line plants—are not the same (urban, underskilled, so-deemed “overage” workers who have lost their posts.

No. 2: “The assault will be just short term; the problems will all be solved in the longer term”

This statement can only be accurate from the macro, aggregate perspective of the economy as a whole. If we consider the fate of the laid-off workforce, the prognosis is certainly poor, and not just in the near future, but over the long term too. As a trade union official told me, “It’s very hard to get employers to hire people over age 35.”

Recent investigations in China demonstrate that under 20 percent of the discharged workers, for whatever reason, have not received any job training; that the reemployment rate for the laid-off dropped from 50 percent a few years ago to just nine percent later on; and that the average per capita income of the furloughed had fallen to about half the national urban average after losing their jobs, while only 21 million—certainly less than half even of the
officially designated furloughed, not to mention millions of others whose firms have crashed that the regime does not count—had been allowed to register for governmental reemployment programs in the years surrounding entry. Those attempting to start a small business venture typically find themselves denied bank credit and harassed by petty officials.

Even as early as mid-1998 an academic survey done in China showed that half of those laid-off had been so for over a year, a sixth for more than three years. Several years later, an investigation of the situation in Wuhan found that 41.2 percent of those laid-off in that city had been so for more than three years. As an official magazine noted, these people are destined to compose a “long-term, unstable mass”; a researcher in the Chinese Academy of Social Sciences recently reported that, they will “just be excluded and drift downward.”

This kind of prediction has echoes in the words of social critic He Qinglian, who recently conjectured darkly that, if out-of-work parents cannot afford to educate their children society will be faced with poverty becoming “an intergenerational inheritance.” In Anhui province, high tuition costs at all levels were already by the late 1990’s beginning to mean that “the number of farmers’ and laid-off urban workers’ children who leave school is rising year by year”. Similarly, a study of over 28,000 children in an urban district of Shijiazhuang, Hebei, found that 30 per cent had laid-off parents and that, because their parents had been laid off, 11 per cent of all secondary school students there, already in 1998, were preparing to quit school.

No. 3: “Chinese consumers will benefit from more choice and from cheaper foreign goods

The rising middle class and of course the wealthy obviously reap these benefits. But for the laid-off and the indigent and to-be-laid off, this one can quickly be dispensed with in the savvy speech of two of my urban Chinese interviewees who had been thrown out of work on the eve of China’s entry in late 2001. According to one of them, a woman forced to retire in her early forties, “If cars are cheap, so what. We can’t afford it. As for color TV’s, we already have one.” Asked about her view of the WTO, she replied: “It won’t be good for us. We don’t understand it too well. We can’t see any good points for us ordinary people. The unemployed will be even more. We’re pretty apathetic about this. We just don’t care.”

And, “WTO is good for the rich. It’s not all commodities that are going to get cheaper, just high-class stuff like cars. We can’t afford those things,” the other, a man of 35 years, quipped. He went on to muse, “People like us doing bitter labor will just increase; for us ordinary folk, us poor people, WTO doesn’t have any good points. What it’s all about, we don’t much understand.”

No. 4: “Export-oriented sectors, such as textiles, will benefit.”

It is accurate to separate industrial sectors into winners and losers--up to a point. Yes, it’s the case that labor-intensive export industries, such as toys, clothing, shoes, and textiles find more open markets abroad with China’s entry into the WTO. But this does not necessarily translate into opportunities for those who have and will be dismissed from the plants of the past--the 100’s of 1,000’s of former pharmaceutical, machinery, automobile, chemical industry and steel manufacturing workers. For instance, just before the country became a member, one Chinese analyst wrote that over 100 automobile factories “can’t go on” once China enters the trade organization.

Especially among textile workers, supposedly members of a winning sector, millions of mill hands were already let go with the intentional, governmentally-mandated destruction of over nine million out-of-date spindles at of the end of 1999; in one industrial inland city, a past
pivotal production center for the textile trade, of the more than 100 state-owned textile firms that existed in the 1980's, not one remains today. In their place are some joint ventures, whose owners, after investing, demanded the release of large numbers of former employees; others plants have simply collapsed, unable to bear up under competitive pressures. Except for a few major bases along the eastern coast, much of the textile technology in China is obsolete, the equipment decades old, the varieties too plain and unmarketable, and the mill workers too undereducated to suit the demands of modern industry. And, according to an essay by a top trade union researcher, export processing in general by now is limited by market saturation, the intensification of competition, and the entry of labor-saving technology.

No. 5: “The tertiary (service) sector and the privately-owned enterprises will provide places for the unemployed.”

Yes, it is the case that China’s service sector is opening up in recent years and all sorts of new positions have appeared out of nowhere. Unfortunately for those whose jobs have disappeared, however, the tertiary, or service, sector has two distinct components, which are generally conflated in official commentaries. Governmental accounts routinely underline that under a third of the positions in the labor market are currently ones in the service economy and, thus, that expansion potential here is vast. True enough, there is now demand for the services that big business and the middle class and well-to-do demand, such as insurance and banking.

But there as for its second component, the one that involves the performance of simple personal assistance jobs and repairs, plus work in the retail and catering trades, there is really no market left to which unskilled labor can appeal. Indeed, China’s emerging market lacks true demand-driven economic activity, at least insofar as the work done by the furloughed is concerned. This is because, given the immense proportions of the official program of enforced dismissals, plus the unspecialized nature of the labor the affected workers have to offer, there simply cannot be demand sufficient to absorb the millions made redundant, now struggling to find takers for their wares and their services.

A principal thrust in the past several years—urging the laid-off to perform community service—is also floundering. Of about two million temporary posts in this sector uncovered in a four-city sample survey, for instance, more than half remained unfilled. Among the reasons given in an official journal were lack of appropriate training, absence of intermediaries to connect potential job holders with employers, preferential state policies not made good for the workers and their little firms, and a disinclination among the furloughed to do such petty labor as minding the sick, chaperoning children home from school, or sweeping the streets.

3. IS THE WTO THE CAUSE?

Granted, before pursuing this line of thinking further, I need to make a few caveats as to why WTO may not be the cause of all the problems surrounding its impact upon the Chinese labor market. First of all, we must bear in mind that the choice to join the WTO belonged entirely to the Chinese leadership and was not forced upon it. Because of widespread international norms endorsing productivity, efficiency, and industrial competitiveness; because of the prestige Chinese leaders perceived in “joining the world”; because of the heightened legitimacy these authorities hoped to gain at home (particularly among the rising middle and upper classes); in the hope of rising domestic living standards through increased trade; and for the chance to become a participant in writing the rules of the global trade
regime, a set of politicians at the top of the political hierarchy in China chose to go along this route. So one might say that these leaders’ goals—and not the WTO—itself are the cause of the problems I’ve been discussing.

And secondly, the problems of job loss are also a response to long-standing issues in China, such as firm deficits, lack of competitiveness, and inefficiency. But the truth here is that enterprise losses did not become an important issue until China began its journey on the road to marketization and trade openness. Still, almost four years down the line, we need to ask whether China’s accession has really turned out to be as dangerous to labor as it once appeared it would be.

4. SOME SPECULATIONS AS TO WHY THE OUTCOME TO DATE HAS BEEN LESS DIRE THAN EXPECTED

I must admit that it does seem at this point that a truly heightened disaster of unemployment has eventuated to date in China’s labor market as an after-effect of the country’s having become a member of the World Trade Organization. I submit three explanations for this medium-term outcome.

In the first place, there has definitely been a measure of non-compliance, at both the central and local government levels (and sometimes it’s difficult to assess just where the obstruction lies). We do know that some ministries at the central governmental level were never admitted into the decision making councils when the government opted and then negotiated to join the WTO in the first place. Personnel from these ministries, which tended to work in industrial sectors that would be disadvantaged by imports, were intentionally excluded because of the obstructionism that they were expected to cause. Consequently it should not be surprising that either they or their lower-echelon operational branches would be reluctant to carry out provisions now to which they had never agreed.

This obstructivism has appeared over the years in a continuing lack of transparency, non-tariff barriers to entry, access problems, delays, imposition of phytosanitary and cumbersome inspection provisions, complaints against genetically modified crops, ongoing subsidies to domestic auto production, textiles, steel, petrochemicals, and machinery, as well as for agricultural exports in defiance of the agreements China made, plus advantages for foreign firms using local content in producing their automobiles, discouragement to the importation of car parts, preservation of high duties on products that compete with domestic industries, inappropriate custom fees for products such as motorcycles and video equipment that could be undercut by imports, licensing hassles for imports, over 100 new standards for food products, and various measures to retain priority for local firms in taxation and other policies or to provide VAT exemptions and rebates for Chinese products.

Just to illustrate the thinking behind such behavior, we need to realize that the Chinese government is well aware that every increase of $100 million in imported agricultural products means a loss of 200,000 rural jobs. Or, we need to realize that soybeans, whose import was especially problematic for some years, are the chief crop in China’s northeast, the very region that suffered the most urban industrial unemployment nationwide. The authorities are understandably anxious to avoid having to see suddenly jobless farmers streaming into the already stagnant urban economies. Most interestingly, soybeans finally got an official O.K. on entry in recent months, exactly in tandem with the central government’s injection of a full 80 percent of the funding for massive improvements in the social security system in that province and its neighboring one late in 2004. Besides everything else, local governments are often ill-equipped to install and adhere to all the new
regulations imposed upon them. All this noncompliance—whatever its roots and whatever its effects—has certainly preserved some of the jobs that might otherwise have disappeared.

A second factor moderating the outcomes for labor from joining the WTO is connected to factors purely within the domestic economy and the state’s altered role in it over the past few years. There has been a heightened emphasis on domestic demand, as the government realizes it must hedge its bets and not become reliant solely upon the stimulation and business of the global market and foreign investors. This is a consciousness first honed in the wake of the 1998 to 1999 financial crisis when China saw its economy badly—even if briefly—hit, in terms of both imports and investment. The regime has also engaged in an expanded level of interventionism just before and in the wake of entry, helping to build up joint ventures in automobiles and creating industrial policies, endowed with preferential policies and development targets for prime sectors. There was also after 1998 a series of expansionary fiscal policies and infrastructural construction projects, with much state investment to back them up, leading to the installation of vast roadways, bridges, airports, and the like. All of this has offered new job opportunities for those prepared to do this sort of work. And lastly but very importantly, the government is taking on new responsibilities in welfare work, by putting ever-increasing funding into benefit provision, developing new training programs for reemployment, working out an incipient social security program, and donating for the urban indigent ever-growing sums to cover ever more people in need of a minimum living allowance that

And my third and final point is that it is nearly impossible for anyone—an outsider, a Chinese employment official, or even the central government—to grasp the contours of China’s true employment picture today. This is the case because of the fragmentary, patchwork, and ultimately unknowable state of the country’s employment statistical data. I have written on this elsewhere, and would be happy to provide the citation for those who may be interested.
NOTES

1Yu Lixiang, Congqizuo chengshi kan zhongguo shenhuijiecheng jiegou de bianqian [From one city see the changes in China’s social structure] (Wuhan: Hubei renmin chubanshe [Hubei’s people’s publishers], 2004, 197.

2Ibid., 211.


4For this and the following information, see Harold K. Jacobson and Michel Oksenberg, China’s Participation in the IMF, the World Bank, and GATT: Toward a Global Economic Order (Ann Arbor: The University of Michigan Press, 1990), 83-92.

5China’s goals in its drive to join the GATT/WTO are laid out in Jacobson and Oksenberg, op. cit., 92; Banning Garrett, “China Faces, Debates, the Contradictions of Globalization,” Asian Survey 41, 3, (2001), 419; Lampton, op. cit., 178-79, 184; Pearson, “The Case,” of China’s Accession to GATT/WTO,” in David M. Lampton, ed., The Case,” 359-60; Fewsmith, China Since Tiananmen, 205; Moore, “China and Globalization,” 109-110; 117. Lardy, op. cit., 11-16 adds that the leaders believed that their ability to hold onto power hinged on their ongoing generation of economic growth, which they presumed that WTO membership would provide. He offers additional reasons in ibid., 132-33. Zweig, op. cit., 276 notes that top leaders hoped that entry would force a degree of deregulation that could help in overcoming the smuggling and corruption that has plagued China since its opening.


7Jacobson and Oksenberg, op. cit., 89; Pearson, “China’s Integration,” 163; Lardy, op. cit., 10.


11Lardy, Integrating China, 6. Examples are its agreement to allow rigorous anti-dumping rules to be applied against its exports for 15 years after admission; it also promised to cut production subsidies in agriculture at a rate below what other WTO members respect. See ibid., 80-81.

12China’s market-opening commitments were characterized as “sweeping” by the United Nations Conference on Trade and Development in United Nations, op. cit., 142, which also lists the benefits China should derive from membership. Lardy, Integrating China, 22 sums up the commitments China made; on this, see also Bhalla and Qiu, op. cit., 4, 11-12, 15, 72-73, 101, 104-05. Moore, “China and Globalization,” 117 makes the point about China’s fear of being left behind. For discussions of Mexico’s agreement to enter NAFTA that take this point of view see Gruber, op. cit., and Cameron and Tomlin, op. cit. For China’s concessions and promises, see Shaoguang Wang, “Openness, Distributive Conflict, and Social Insurance: The Social and Political Implications of China’s WTO Membership,” Journal of Contemporary China, Vol. 9, No. 25 (2001).


14Bhalla and Qiu, op. cit., 104.


20. Tian Binjnan and Yuan Jianmin, “Shanghai xiagang renyuan de diaocha yanjiu” [Investigation research on Shanghai laid-off personnel], Shehuixue, (Sociology) 2, 1997, 11.


25. Boardman, op. cit., 7; Miller, op. cit., 45.


32. Miller, op. cit., 45.


38. Lampton, op. cit., 177.


Li Bingliang and Guan Zaiyuan, “Zhongshi zhigong xiagang dui qi zinu di fumian yingxiang” [Pay Attention to the Negative Influence on the Sons and Daughters of Lay-offs of Employees], Neibu canyu [Internal consultations], No. 448 (3 February 1999), p. 14.