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The Impact of Enterprise Reform on Chinese Seafarers

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Introduction

The past two decades have witnessed tremendous changes taking place both in world shipping industry and in China's state-owned shipping companies. Globally, a series of restructuring have transformed shipping into the world's first fully globalised industry. Whereas mixed nationality crews are hardly a new phenomenon in world shipping, the labour market for seafarers has been globalised in the last 20 years. On board the world vessels today, it is common to find the crew composed of seafarers from several or several dozens of countries. The labour force, traditionally dominated by seafarers from Western maritime nations such as Britain, Germany, Norway and Denmark, has been dramatically multi-nationalised with seafarers from E. Europe and increasingly from the developing countries in Asia. According to the latest survey, Asian seafarers comprise between 40% (officers) and 53% (ratings) of the total work force in world fleets with China listed as the third largest supplier of seafarers in world labour market. China's ocean-going fleet, known also as the PRC (People's Republic of China) fleet in world maritime community, has become the third largest in the world with a total controlled deadweight (dwt) tons of 69.5 million and a total number of 82,000 seafarers (ISF/BIMCO, 2000; ISL, 1999; Couper, 1998; Lane, 1997).²

¹ The author would like to express her most sincere thanks to Tony Lane and Theo Nichols, whose comments, suggestions and encouragement on the first draft were very important in shaping this paper to its present form. Her gratitude also goes to Helen Sampson, Nick Winchester, Tony Alderton and Bin Wu whose practical and moral support were extremely valuable throughout the process.

² While statisticians in world shipping still treated the PRC and Hong Kong as two 'countries', the figure here represents the merchant fleet in both Hong Kong and the mainland.

Parallel to the change in world shipping, there has also been a fundamental transformation in the social and economic landscape of China's shipping in the last twenty years. Since enterprise reform was introduced in the mid-1980s, a series of restructuring strategies have been employed to rationalise the country's state-owned shipping companies. The adoption of the Contract Labour and the introduction of the Contract Responsibility System in the 1980s have fundamentally re-shaped the relationship between the enterprise and the state, with greater decentralisation and more discretion for shipping managers, the diminishing of the Party and bureaucratic control and the use of the labour contracting regime linking performance and rewards together. The most recent round of state enterprise reform involves the introduction of the Modern Enterprise System (MES) and the Group Company System (GCS), intended to transform China's largest state-owned enterprises, including the shipping companies in this study, into internationally competitive corporations which, while still remaining in overall state ownership, will much more closely resemble typical Western corporations in their structure and processes of production, with Boards of Directors accountable to shareholders rather than subject to the political authority of the party-state.³

These top-down reforms have had a great impact on China's shipping industry. While earlier reform programs like the Contract Labour and the Contract Responsibility System have long been adopted by shipping companies, 1993 saw the incorporation of China's

³ There is a rich literature reviewing the reform process in China, see for example, Woodward, 'China's Industrial Reform Policy' (1985), Tidrick & Chen, *China's Industrial Reform* (1987), Howard, 'Rice Bowls and Job Security: the Urban Contract System' (1991), Byrd, *Chinese Industrial Firms under Reform* (1992), Child, *Management in China during the age of reform* (1994), Hassard, 'State Sector Reform and Societal Transformation in China' (1999).

largest ocean shipping group China Ocean Shipping (Group) Company (COSCO). Echoing the reformers' intention, the Group claims in its mission statement that its goal is 'to change the operational mechanism of the company and to establish a modern company system', and 'to boost China's competitiveness in the world shipping market and to intensify management (COSCO, 1997). Soon after that, another shipping group, with companies traditionally specialising in coastal trades, was formed, sponsored by the government to facilitate competition in China's ocean shipping China Shipping (Group) Company (CSCO). Between them, the two major players operate more than 800 ocean-going vessels controlling nearly the country's entire shipments of foreign trade over the oceans. As 'modernised corporations', these shipping groups have been quick to embrace 'modern' management mechanisms and 'modern' technologies, typically including the structural reorganisation of the fleets, the development of automation on board vessels, the computerisation of vessel tracking, ship movement management and financial management, the streamlining of the work force with substantial reductions in the crew numbers aboard, and the opening of the country's seafaring labour resource to foreign vessels. (COSCO, 2000).

These reforms have definitely helped improve China's ranking position in world league. But what about the Chinese seafarers? Labour in the West has been much studied in its contemporary relations with capital or the state, or its conditions, its history, culture, divisions, ideologies and trajectories (O'Leary, 1998:XV). The impact on Chinese labour as a result of the current economic reform remains largely unexplored. Much has been said about the general process of the reform; little attention has been given to studying the

implications of the reforms on state industrial workers in general and virtually no research has been conducted on Chinese seafarers at all. Although China's shipping has always been selected as a major 'pilot plant' for the enterprise reform program, Chinese seafarers have long been ignored. Even the most comprehensive survey regularly conducted by the All-China Federation of Trade Unions (ACFTU) since 1992 on workers of nearly all industries does not represent seafarers.⁴ What then has happened to these workers when China's shipping has undergone essential change in the last twenty years with more and larger vessels sailing and trading further across the oceans in more parts of the world and when more foreign ship owners have begun to penetrate deeper into the country seeking more and cheaper Chinese seafarers?

This paper is drawn primarily on my interview data since 1998 with seafarers and managers in five state-owned Chinese shipping companies located in Dalian, Qingdao, Shanghai, Hong Kong and London, and my visit to ten China-owned ocean-going ships operating in various parts of the world waters. A general literature survey and, in particular, my exploration of the archives in the International Transport Workers Federation based in London, have also generated important information for this paper. This study here, therefore, aims to answer the questions raised above by noting and analysing the experiences of Chinese seafarers during the reform years. The investigation begins with a short account of the recent history of the conditions of Chinese seafarers under the planned economy, then shifts the attention to the changes that have taken place

⁴ The survey has been conducted twice since 1992. The outcome of these surveys are reported in *The Chinese Working Class: Striding Towards the Socialist Market Economy, and Survey of the Status of*

in the industry in last twenty years and their effects on seafarers aboard today's merchant ships, Chinese and foreign. A concluding discussion argues that the introduction of the market forces in China since the early 1980s, in particular since the 1990s when the reform began to gather momentum in the country's state firms, has fundamentally reconstructed Chinese seafarers' work context as well as their labour experiences. The continuing withdrawal of the state role in regulating Chinese workers' work and employment relations and the further introduction of global market forces will both further undermine Chinese seafarers status in society and force them to negotiate with various economic and political forces at global levels.

Seafaring under the Planned Economy

Chinese seafarers' work and employment relations in Mao's time bear features familiar to all Chinese state workers under the planned economy. Seafarers were recruited, mostly from coastal areas, trained and allocated to vessels according to the state plan. Individual seafarers had little freedom to choose or change their jobs because the state had absolute control over the entire process of production including labour hiring and allocation. In return, seafarers had 'tenure terms' and their employment was a life-long appointment known as the 'Iron Rice Bowl'. Their work unit, the shipping company, was responsible not only for providing seafarers with jobs, but also for providing them with a comprehensive package of welfare benefits including pension, medicine, housing and so on.

Chinese Staff and Workers in 1997, both compiled by the Policy Study Department of the ACFTU, in 1993

As the case for seafarers in any country, the vessels are both the workplace and home for Chinese seafarers. In Mao's time, egalitarianism was comprehensively applied across the board for all seafarers regardless of their ranks, positions or gender. The striking hierarchical division between ratings and officers, typically found in Western fleets, did not exist on Chinese vessels, not even on vessels built in Western shipyards with structures and functions designed to fit into the traditional Western ship hierarchy. For example, on vessels purchased from the West the bar and mess designed for officers would be converted to a recreation area for the entire crew. All seafarers, officers and ratings alike, received largely equal and low basic wages, although the overall pay received by seafarers were relatively higher than the wages received by the land-based workers. Moreover, wages were not differentiated between sailing seafarers and seafarers ashore.

The crewing level was significantly higher compared to world levels. A 'typical' vessel would carry a crew of 35-40 seafarers aboard, including the Medical Doctor and the Political Commissar – posts that are not in line with the requirements set by the International Maritime Organisation (IMO) and were more likely to be found only in the fleets owned by the former USSR and a few other former socialist states. Between the late 1970s and the early part of the 1980s, shipping companies were even thinking of further increasing the size of the crew because they were keen to further reduce the work load for seafarers by taking advantage of the country's abundant labour supply.

and 1999 respectively.

As noted above, both coastal and ocean-going vessels carried Political Commissars and Medical Doctors. This regime has existed within the Chinese merchant fleet for almost half a century and until recently both the Medical Doctor and the Political Commissar have long been accepted as a normal part of the crew in China's merchant fleet. Holders of the posts were expected to look after seafarers' welfare or well being during voyages. The responsibility of the Doctor seemed straightforward - he was supposed to provide the medical service to seafarers and to ensure that they were physically fit and sound when the vessel was operating at sea.⁵ By comparison, the role played by the Commissar was more complicated. The initial intention to introduce Commissars in the fleet was purely political and ideological. Ideologically, the Party wanted to ensure that seafarers' thoughts would be 'correctly' developed even when vessels were sailing thousands of miles away on foreign waters. Commissars were therefore employed as the Party's eyes and ears for the control of seafarers' thoughts, behaviour and activities during the voyage. For example, regular political meetings would be called by the Commissar when the vessel was sailing at sea. All seafarers, including the Captain, were obliged to attend these meetings. When the ship was in port, seafarers had to obtain the Commissar's permission if they wanted to go ashore. The Commissar would then organise them into groups of at least three seafarers before allowing them to leave the ship for shore.⁶ It has been reported by port chaplains world-wide that their attempt to visit seafarers on board Chinese vessels would always be effectively barred by the Commissar at the gangway.

⁵ At least in ocean shipping, there has virtually no female ship Medical Doctor or Political Commissar in the fleet.

⁶ This controlling regime is known as '*san ren xing* (three-people-going-together)' by Chinese seafarers.

In reality, and in addition to the tasks designated by the Party Committee, the Commissar has actually also played another important role aboard by providing social and emotional or psychological support for seafarers during the voyage. Such support is essential to the welfare of the seafarers, in particular at a time when Chinese seafarers found it virtually impossible to get such support from beyond the ship, for example, from world trade unions or port chaplains that have traditionally been the main provider of support and welfare services for seafarers world wide. The existence of both the Medical Doctor and the Political Commissar therefore played an important part of on-board support for sailing seafarers, despite the fact that the Commissar regime was intended and has effectively functioned to exercise control over the seafarers during the voyage. In other words, Chinese seafarers under the planned economy were both subject to the control of the Political Commissar and at the same time depended upon him for support especially in the case of social, economic, emotional, psychological or other forms of crises, which are often too familiar to these workers who work and live in an extremely confined space and are far away from the land and their families for many months at sea.

As women were strongly encouraged to take employment in the traditionally male dominant industries such as mining and construction, women were also recruited and trained as seafarers shortly after the founding of the P.R.C in 1949.⁷ Then, throughout the thirty years between the 1960s and 1980s, women were sailing on rivers, seas and

⁷ The recruitment of women seafarers in China started in 1950 when Chaoshan Advanced Marine Academy opened its door exclusively to women. Most of the Chinese women seafarers were trained here as navigators and engineers. See Peng, D., ed. 1989b, *A Contemporary History of Chinese Navigation*.

oceans in various ranks and positions as ABs, radio officers, chief engineers and captains.⁸ The voyages made by the women-officers-only vessel of *Fengtao* between Shanghai and Osaka were so successful that Chinese women seafarers won great applause and admiration world-wide, in particular from the women's movement in Western countries. Proud and encouraged, shipping companies even began to consider the establishment of a fleet crewed entirely with women seafarers, officers *and* ratings. Reflecting upon these extraordinary experiences 'in those good old days', a senior shipping manager says, '(A)t that time, we were really eager to show the world that Chinese women were enjoying true equal employment opportunities denied to women in most other countries.'

Foreign flags, or flags of convenience (FOCs), began to be employed by many Chinese-owned merchant vessels in the early 1950s due to political and practical considerations.⁹ However, the employment of Chinese seafarers was not open to foreign capital under the planned economy. Chinese seafarers only sailed on Chinese-owned vessels despite the

⁸ 'AB' in maritime industry is believed to stand for 'Able Seaman'. As the industry itself, the vocabulary in maritime English, the language decided by the IMO as the working language in world fleets, is male dominant. It is only since the mid-1990s that the word 'seafarer' has begun to be gradually adopted, by more maritime organisations, replacing the sexist word 'seaman'. Since there is no neutral word available to act as replacement, I therefore follow the maritime convention by calling seafarers in this position as 'AB' or 'ABs'. The acronym at least sounds neutral.

⁹ The FOC phenomenon first became apparent on the United States during the inter war years when American owners found it was 'convenient' to operate vessels by flying flags of other states, in particular, Panama or Liberia. In the 1960s many owners in the 'traditional' maritime nations re-flagged their vessels instead of convenience'. The main benefits of such re-flagging include relaxed revenue repayment and a reduction in crew cost. World politics played the major role for FOCs to be introduced into China's merchant fleets in the first place. After W.W.II, China became so isolated from most parts of the world that the adoption of foreign flags became virtually the only means for the country to carry on foreign trade. Circumstances have changed since the late 1970s when China embarked upon the road of economic reform. Both economics and politics are important for China to continue to use the FOC regime. Economically, the FOC regime allows shipping companies to enjoy 'tax havens'; politically, it enables the PRC-owned vessels

fact that many of these vessels were flying foreign flags and virtually all ocean-going vessels were operating on foreign waters. Generally, seafarers, as industrial workers as a whole in China, had a high social status under the planned economy as part of the country's 'leading class', receiving relatively higher wages with opportunities to see foreign countries.

Seafaring under the Socialist Market Economy

In a spring day in 1992, when M/V Acadia, a Greece-owned and Bahamas-flagged cargo ship was calling the Port of Ravenna in Italy, 11 Chinese seafarers went to the local seafarers trade union and lodged their complaints against the ship management on the ground of the mental and physical abuse they had long suffered during the voyage. During the investigation, the Chinese seafarers answered queries regarding their wages truthfully. Then, pressures from both the local and the world trade unions forced the ship management to pay the Chinese seafarers wages in line with the ILO standard and promise to improve conditions aboard immediately. Apparently, these seafarers won the battle. However, a week later when they landed on Beijing International Airport after their service with Acadia, these seafarers were surprised by 'a stern-faced manager' of their crewing agency and a dozen of officers from the Procurator. They were 'pushed into a police van and whisked away from the Airport.' Three of the seafarers were later arrested under the charge of 'leaking state secret' just because they had contacted world

to trade on some politically sensitive waters, especially through the Taiwan Strait. See Zhao, 'Chinese

trade unions when they desperately needed help and could not get any from their crewing agency (*Workers' Daily*, 1995). Eight years have passed. These seafarers are still battling, hopelessly, for their 'justice and human dignity' (*Workers Daily*, 2000). The nightmare gone through by these Chinese seafarers signifies the drastic change in seafarers' experience as industrial workers during the reform years. While seafaring under the 'socialist market economy' has clearly become substantially different from that in Mao's time, the major changes are identified in the rest of the paper through an examination of some main dimensions of contemporary seafarers' work and life including the crew levels, the ship hierarchy, the social control and social support aboard, the occupation segregation of the work force and the impact of Chinese seafarers' contact with foreign capital.

Reduction of Labour Cost

The introduction of the market has reconstructed the company's goal in production from plan fulfilment to the pursuit of profit. This, in turn, highlights Chinese managers' awareness of the cost of production, hence their efforts to rationalise the operation of the firm. In line with the world trend, labour has become the first target for cost reduction, although Chinese seafaring labour has never been highly paid relative to the labour rates in the world labour market. Globally, the crew costs as a proportion of voyage costs have been falling steadily since the 1960s. Of all the factors in the voyage cost equation, crew costs remain the only substantially variable element and the price of human labour shows

Seafarers Today', *Seaways*, Feb.2000 for a detailed analysis.

considerable more elasticity than the per ton and litre price of bunkers and lubricating oil (SIRC, 2000:12).

In China's ocean shipping, several strategies have been formulated to streamline the labour force since the late 1980s. As in other sectors of the country's economy, labour contracts were introduced in the late 1980s, breaking the Maoist 'Iron Rice Bowl'. By the mid-1990s, virtually all Chinese seafarers in state shipping companies had signed the labour contract and therefore had been converted from state permanent workers to contract workers. However, the most drastic reduction of crew levels had not been realised until since the mid-1990s, when the Political Commissar and the Medical Doctor have been removed from the crew list in the coastal fleet, when seafarers in these positions in the ocean-going fleet have been increasingly under the pressure of redundancy, when the steward has disappeared on both coastal and ocean vessels, and when the total number of seafarers, especially that of ratings, has been significantly reduced on vessels in both sectors. Our latest survey finds that the number of seafarers placed on 'typical' vessels, such as the container ship or the general cargo ship, has been reduced from 30 to 40 in the mid-1980s to 20 to 28 at the present time - a deduction of the crewing level by over 30%. Although such a reduction has partly been caused by the development in technology in recent years, especially automation and computerisation, and although the overall crewing level in the Chinese fleet are still higher than that on many OECD vessels, this reduction of crewing levels is still, undoubtedly, very high.

Parallel to the trend of reduction of crew levels aboard, efforts have also been made for further reduction of labour cost by targeting seafarers ashore. Before the reform, there was no significant difference in wages between sailing seafarers and seafarers on leave ashore, because seafarers' paid leave was considered legitimate due to the fact that it was, and still is, *earned* through seafarers' overtime work at sea. Since the early 1990s, as result of the labour reform, a gulf of the wage differentiation has been created between the seafarers of the two circumstances. Now, the monthly 'wages' received by the seafarer on leave is less than 10 per cent of what he or she is paid at sea. 'Wages' have actually be turned into a retaining fee, which works both in cutting the labour cost and in guaranteeing the shipping company with a stable labour supply.

Both labour cost saving strategies have serious implications for seafarers' work and life in land and at sea. Whereas many seafarers complain about the financial difficulties they and their families have caused by the serious shrink of their income when they are on leave, they consistently refer to the intensified labour aboard in recent years. Many of the seafarers interviewed on board Chinese vessels, especially senior officers, complained about the increase in work loads in recent years. A captain with 39 years experience at sea working on a 5000-ton container ship operating on mid-stream Victoria Harbour, Hong Kong, reported on 2 March 2000:

'Before the reform, a ship like this would be crewed with 28-30 seafarers. Now we have only 23 aboard, including two cadets. Actually, I have only 22 men working for me. I have a shipping manager sailing under my title, only because he needs the sea time for promotion. he doesn't do anything aboard. We no longer carry the Commissar or the Doctor, and four ratings have been taken away,

including two ABs, one OS, and one cook. The steward has also been made redundant. The change started in 1996. But my last Commissar left me in 1998. How have I been affected? Very simple: I have to work harder. Now I am what they call *Captain-and-Political* Commissar. In addition to captain's responsibilities, now I have to do the work left by the Commissar. But I am not the only person feeling the pressure. Others have also to do more. For example, the First Mate now has also to look after the sick seafarers. Indeed, the reduction has affected everyone on board the ship.'

The ship was over 20 years old, carrying 300 'boxes' and flying the Panamanian flag. A few months before that, in a key European port, another Chinese captain gave a similar account on another container ship, which is larger (45,300 ton with 3800 boxes), younger and more modern (a German built in 1994).

In the first two years after the purchase, the ship carried 36 seafarers. Since 1996, the number of the seafarers has been reduced to the current level. Now we have 28 men aboard. Those who have left were all ratings. We still carry the Commissar and the Doctor. The Commissar may stay with us for a while.... Who knows. But the Doctor is certain to go, probably soon, because the First Mate is now prepared to take his (doctor's) responsibility. Should there be any further reduction? No. They cannot do it any further. It has already reached the limit.

Medical doctors in ocean shipping clearly feel the threat of impending redundancy. Most of these doctors are in their late thirties or early forties with university qualifications in transport medicine.¹⁰ The company's treatment of seafarers in this category seems less drastic than that applied to ratings. Flexible labour has been introduced to protect some sailing doctors from losing their jobs. This usually means that the Medical Doctor has to

¹⁰ The removal of the Medical Doctor from China's merchant fleet must be a long planned reform, because some key medical schools had cancelled the course of maritime transport medicine several years before the post began to be excluded from the crew list.

take other responsibilities in addition to their traditional role of providing health and medical service for seafarers during the voyage. In most cases, they are designated with tasks left by the ship steward already made redundant in the first round of reduction. Few of the medical doctors interviewed are happy with the increased work load. However, most of them feel lucky, 'because this seems the only way for us to save our jobs aboard', as noted by the medical doctor on the same large container ship on China's National Day in 1999 in Europe.

Shipping managers, however, hold different views about the 'necessity for further reform.' Many believe that further reduction of crew levels is important in bringing China abreast with the world standard. Truly, the reduction of crew levels in merchant vessels has been a feature of globalisation in world shipping throughout the 1990s and a 'typical' OECD containership of this type and size would have a crew of 18-22. In fact, we find that shipping management is well aware of the intensification of labour for seafarers on board vessels. Nevertheless, managers do not seem to take it as an issue. The increasing competition in the world shipping market puts shipping companies under pressure for further rationalisation of the work force. The senior managers interviewed hope that the government would further withdraw its control over state companies so that 'we will be able to further reduce the current work force by at least one third.' They believe, 'that's the only way we can compete in the world market'.¹¹

¹¹ When challenged with the argument that given the fact that Chinese seafarers are among the lowest paid in world labour market, the voyage costs of PRC ships, even with a larger crew, must still be lower than the OECD-owned comparable ships, several senior shipping managers insisted that 'an important difference between *us* and *them* is that we have to bear much of seafarers social cost', although they admitted at the

The Introduction of an Hierarchy

Among Western maritime nations, hierarchy remains a distinctive feature of the ship culture. On the OECD vessels, for example, seafarers receive strikingly different treatment strictly according to their ranks and positions aboard. This hierarchical treatment is not only reflected in seafarers' wages; it spreads to nearly every aspect of their lives aboard. As Tony Lane notes in his study of British seafarers in the late twentieth century, '(H)ierarchy touches almost every aspect of shipboard life. It is a subject which reveals deep-running social divisions and seems to offer a microcosm of society at large (Lane, 1986:152).' On these ships, officers have their own bars, cabins and dining areas which are unquestionably better than those for ratings. Normally, furthermore, there is little informal social interaction between officers and ratings in Western ships. Even on American ships, where the hierarchy is believed to be less rigid and the relationship between officers and ratings as 'often quite informal' and 'easy-going', the officers and ratings are always 'cordoned off into separate classes with officers socialising with officers and ratings mingling with ratings as observed by Schrank and other researchers when they compare the ship regime in the American fleets and that of the Norwegians (Schrank, 1982:4, 45).

In contrast, the considerable social and economic gap between ratings and officers on Western vessels has not yet shaped the PRC fleet. The Captains, the Political Commissars, the Medical Doctors and other officers and ratings, indeed all the seafarers

same time that most of the benefits enjoyed by the seafarers under the old system has been taken away by

aboard, were treated with largely the same low wage rates and shared the same kinds of foods, accommodation, recreation and other on-board facilities. However, things have begun to change since the mid-1990s. Although there does not seem to have been much alteration in the overall social context of the ship, for example, officers and ratings continue to share the same kind of meals in the same dining area aboard, differentiation has been created in seafarers wages and welfare treatments - 'sailing' and 'leave' are certainly not the only factors determining the rewards for seafarers. According to our preliminary survey conducted in China's three principal port cities (Dalian, Qingdao and Shanghai), the captains' monthly salaries (6,000-10,000 yuan) are always 2.5-3 times higher than that for the AB (2,500-3,500 yuan).¹² By average, the Political Commissar's pay is 20% lower than that received by the Captain.

As for housing benefits, many Captains and other senior officers as well as Political Commissars have moved to spacious and well-furnished apartments built in recent years by shipping companies and known as Ocean Villages. In contrast, ratings have much limited access to this kind of 'luxurious' housing. Although seniority is still used as a factor in allocating companies resources to seafarers, ranks and positions are becoming increasingly vital in determining seafarers' wages and welfare package. Changes like this in the economic sphere of seafarers' work and life have been subtle but with important implications for the quality of seafarers' life aboard ship. Despite the fact that the so-called 'ship culture' on Chinese vessels does not seem to have experienced as much

the reform.

¹² The wages for the AB are conventionally used as a benchmark to compare the pay rates between seafarers of different positions.

change as found in most other areas of Chinese people's lives since the late 1970s, the newly introduced differentiation in seafarers wages and benefits treatment indicates the initial shaping of a slow, but clear trend toward a hierarchical regime in China's merchant fleet.

Social Control and Social Support Aboard

The social control over, and social support for Chinese seafarers on board ships has seen some subtle but distinctive changes in recent years, which can be seen from the reconstructed roles and functions of the sailing Commissars and the ship Medical Doctors. First of all, the clarification of the responsibility between shipping management and the Party Committee during the enterprise reform has clearly redefined the Political Commissar's role aboard ship. Instead of both the Captain and the Political Commissar making joint decisions during the voyage, as under the old regime, the Captain has now become the sole master of the ship and can make decisions on his own without necessarily consulting the Political Commissar. Although the Commissar is still responsible to the Party Committee and in theory as well in rhetoric he is still expected to conduct political and ideological work among the seafarers, in reality, he has been experiencing a significant role change and become increasingly involved in ship operation. Instead of focusing on the traditional political and ideological propaganda for the Party, the organising and educating of seafarers to promote safety in ship operation now demands priority from the sailing Commissar's agenda. The Political Commissar on a large Chinese container ship said during our on-board interview with him in 1999 in a major UK port:

Yes, I am still responsible for developing new members for the Party. But it doesn't involve much ideological work nowadays. My main task now is to assist the captain in crew management. My job is to ensure that the ship has a happy crew. As you know, we sail for months at sea. Seafarers tend to get depressed during the voyage with all sorts of problems. It is my job to talk to these seafarers and help them empty their mind. My job is to keep them happy, or at least to keep them emotionally and psychologically stable during the voyage.

As a result, the Party's on-board social control has become relaxed. During the voyage, the number of political-study meetings has been significantly reduced. Although seafarers are still expected to consult the Commissar for permission to visit the port, permissions are becoming easier to be granted and seafarers are no longer disciplined if they fail to follow the rules and visit the port as individuals rather than in groups. More over, an increasing number of port chaplains report that they have begun to be able to gain access to seafarers on Chinese vessels in recent years. This suggests that Chinese seafarers now have an improved chance to benefit from the welfare resources provided by world missions and other international organisations, despite that they are still not allowed to contact world trade unions.

However, to Chinese seafarers, changes in this aspect are not straightforward. While they seem to have begun to benefit from the trends noted above, seafarers have found that, at the same time, their social system of support has suffered as a result of the phasing out of the post of the ship Medical Doctor. The real or impending removal of the post of the Medical Doctor from the crew has the effect of a double-edged knife, affecting both the seafarers made redundant and the seafarers remaining in the crew. When the Medical

Doctor loses his job at sea, the rest of the crew loses the medical services provided for half a century to Chinese seafarers at sea. Seafarers doubt with reason that the newly designated officers would have the same skills or competence as the medical doctors.

The seemingly irreversible trend to remove all the ship medical doctors from the Chinese fleet and the heated debate on the necessity for vessels to carry the Political Commissar, especially the arguments from maritime economists and shipping managers make seafarers increasingly uneasy about any further reductions in crew levels as a means of the further damaging their social support facilities aboard the vessel. The Captain on a modern Chinese container liner trading between Europe and Far East is well worth listening to on just this point:

It will be very difficult for me if they take away my Political Commissar. He is my right hand man. With him aboard, I have a man to consult with. With him taking care of the crew, I can concentrate on shipping. Without him, I will definitely feel very lonely and will have to take an even heavier work load.

Ironically, although these changes would leave the PRC ships and crews at very similar levels of social and economic organisation as in the OECD fleets, there is in fact a growing concern in the OECD countries with the social and operational standards in the OECD ships.

Employment of Women Seafarers

Chinese women's roles and status have been redefined with the introduction of the market. The development of 'modernisation' in the past twenty years has effectively re-

designated women's 'proper' role in the economy and the society. Women have been encouraged to withdraw from the traditionally male dominated industries into the sectors of the economy that are considered 'proper' for women.¹³ In shipping, women navigators began to leave seafaring since the early 1980s. The deepened economic reforms in the 1990s witnessed a complete withdrawal of women from the country's ocean-going cargo fleet and a further decline in the number of women employed in river shipping. Between 1983 and 1993, there was only one woman captain in the entire Chinese fleet. Her promotion to a shore based management position in 1994 apparently signified the end of Chinese women's participation in the country's navigation and the reassertion and redefinition of seafaring as an entire male role (Liu, 1996). There are no women recruited to be trained as navigators or engineers among China's maritime institutes. Dalian Maritime University, the largest maritime institute in China confirms that the last female student in their College of Navigation left in the late 1970s and since then they have not recruited any female student for any on-board positions at all. In the Dalian Seafarers Training School, there is not a single woman among the 1,100 seafarers under the training program. In its history of 42 years, the school has only recruited a small number of female students, all between the late 1960s and the 1970s during the Cultural Revolution. Comparatively, women seafarers in OECD countries are still actively sailing in world fleets, although their representation in the total labour force at sea remains low.¹⁴

¹³ A large amount of literature has been produced addressing the social and economic change in China and the changed image, roles and status of Chinese women during the reform. One of the best reference is from E. Croll. See, for example, *Changing Identities of Chinese Women : Rhetoric, Experience and Self-Perception in Twentieth-Century China* (1995), *From Heaven to Earth : Images and Experiences of Development in China* (1994), and *Chinese women since Mao* (1983).

¹⁴ For example, women's participation rate in seafaring is 4.4% in Belgium, 4.7% in the UK, 5.3% in Germany and the average rate is 7.6% across the EC fleets, see Zhao, 1998, for more detail.

It is interesting to note that both the male sailing seafarers and the female ex-seafarers interviewed believe that vessels should carry a crew of both men and women especially for deep-sea voyages. For male seafarers, 'including women seafarers in the crew would help create a normal working environment on board the vessel. Life would be less boring', although many of them also suspect women of being physically unsuitable for the work aboard 'because it demands strong muscles.' Women also have a different focus of attention with regards to their role as part of the crew. A woman Radio Officer and a woman AB, who both sailed between the mid 1970s and the mid 1980s, said that they believe both men and women can be good seafarers in all positions. They have been convinced by their own experience that 'the work is not really particularly physically demanding for women as is said. In fact, the development of technology makes the work a lot easier.' In their view, placing women seafarers side by side with male seafarers would 'help develop a civilised ship culture for all seafarers.' 'It would help civilise men's behaviour during the voyage, making them less frustrated and behave better.'

In fact, women seafarers certainly exist in China and indeed their number is growing in line with the trend world wide. Since the mid-1980s, passenger shipping has been the fastest growing sector with an average growth rate of 9.6%, the highest in world shipping (ISL, 1998). In China, the number of passenger ships has increased from 19 in 1990 to 81 in 1999, with a total growth rate of 450% in a decade (ISL, 1990:255; 1999:277). Our interviews with the shipping managers have further confirmed that China's passenger shipping, especially river cruise and trades with neighbouring Asian countries, have

enjoyed a boost since the 1990s. Compared with other sectors of shipping, passenger shipping is labour intensive. Its rapid growth leads to a great demand for seafarers, especially for women. In China as well as in other countries, occupational segregation remains a consistent feature of the shipping industry. Women are only employed in service departments on passenger ships, where they serve as waitresses, stewardesses, nurses, child carers and so on - all in the roles traditionally defined 'proper' for women. A large ocean shipping company, for example, has 200 women in its 47,000-strong seafaring work force. All these women are placed on the company's four passenger ships sailing between China, Japan and South Korea. Happy with these women seafarers' role and performance aboard, the company is actively recruiting more women and aims to place them all in the catering and the hotel departments. This agrees with a feature of the world shipping that shipping companies, especially those in cruise shipping, take it as an important strategy to target women as a new source of labour supply, because they find that 'women clearly sell more products aboard' and that 'women are welcome and increasingly preferred by our newly-structured market.'¹⁵

Chinese Labour for Foreign Capital

The use of the PRC seafaring labour by foreign capital started in 1979, when China had just begun to open its door to the outside world and when world shipping had begun to target Asia for a new and cheap supply of seafarers. In the past twenty years, China has

¹⁵ World cruise market has experienced a significant change in recent twenty years. In addition to the traditional customers that are stereotyped as predominantly being 'old, single, rich and female', shipping companies have been successful in opening new markets for the industry. The middle class professionals and their families are increasingly attracted to take holidays on cruise ships. This, in turn, among other things, leads to an increasing demand for women seafarers to be placed in bars and to take care of the

crewed the world fleet with at least 280,000 seafarers. In 1999, as many as 33,000 Chinese seafarers were found sailing on foreign vessels of various kinds of flags and types (Zhao, 2000).

These seafarers are employed in various positions, mostly as ratings or junior officers on cargo ships or sometimes as laundry men, utility men or women on passenger ships. Their positions are low towards the bottom of the ship hierarchy with ranks generally about the same as Chinese seafarers had over half a century ago when they were hired to crew the British or other Western vessels (Lane, 1986).¹⁶

Seafarers sailing on foreign vessels have remarkably different experiences compared with those sailing on national vessels. They receive relatively higher wages - 'relative' because Chinese seafarers are among the lowest paid in the world seafarers labour market – and their wages are paid in foreign currencies. These seafarers, however, operate in a very special environment where they are confronted with the existing regime of the mixed-nationality crew and the traditional Western ship hierarchy. All this 'naturally' gives rise to issues of racial discrimination and of 'culture shock' to many of these Chinese seafarers.

Indeed, few of the Chinese seafarers with employment history on board foreign ships have positive memories overall of experiences of working for foreign ship owners. They

cruising families' domestic needs aboard. See Zhao, *Women Seafarers in World Fleets: a report for ILO*, for detail.

tend to give negative accounts of their ‘stories’ on board those vessels. Nearly all of them agree that their only incentive to join foreign ships was to ‘earn money.’ They find the workload heavier, working hours longer and the management control tighter. However, what they feel most strongly is the discrimination they experienced or perceived during their contracts. In the view of these seafarers, the discrimination is most glaring in their wages. For the same position and the same rank, the Chinese are always among the lowest paid among all the seafarers on board ship. Moreover, it extends to other spheres of their work and life aboard, including, for example, the attitudes of the captain and other senior officers. A seafarer reported his experiences of work and life on a Greek container ship during our interview with him in his residence in Shanghai:

I was an AB on that ship. There were three nationalities aboard. All the officers Chinese from the Mainland. We were treated very badly. They called us ‘pigs’ and always shouted at us. One night, when I was on duty. It was raining very hard. The Second Officer didn’t allow me to stay in the bridge. He ordered me to stay outside. It was pouring and very cold I couldn’t believe it....

As a rule in world shipping industry, officers are from Western or other newly developed Asian countries. They receive higher wages and have better access and entitlement to the resources on the vessel, such as food, accommodation and recreation facilities catered only for officers. Chinese seafarers, educated, trained and socialised in a societal and ship culture which traditionally emphasises collectivism, despite the change, find it hard to fit into the existing hierarchical social organisation on board foreign ships. The

¹⁶ This finding has been further confirmed by an on-going study on Chinese seafarers in Liverpool conducted by the Asia-Pacific Research Institute (APRI, 2000), Liverpool University.

discrimination they experienced or perceived can be intended, but can also be institutionalised and deeply built in the structure of the 'ship culture'.

Language is an important factor affecting Chinese seafarers' experiences, feelings and perceptions on board foreign ships. Since English is used as the working language in world shipping, many Chinese seafarers recall difficulty in communication with seafarers from other countries. The lack of English competence of many Chinese seafarers contributes to their lack of social interaction between them and seafarers of other nationalities, hence intensified their feeling of isolation and alienation during the voyage. This further supports the finding of a survey conducted in 1998, which looks into the links between seafarers English competence and their evaluation of the quality of shipboard life. According to the study, seafarers with poor English tend to give lower scores in assessing the quality of their life on board (Couper & Walsh, 1999).

Attempts have been made to introduce the Political Commissar Regime into those foreign ships where Chinese seafarers concentrate. In most cases, the Commissar would be 'implanted' as the ships steward. During the voyage, the Commissar would conduct his job as the steward and receive the wages accordingly. At the same time, however, he also has the responsibility designated by the Party Committee - to exercise control and provide support to Chinese seafarers, quietly throughout the voyage. Nevertheless, the Commissar would always find that he had to 'go underground' when he attempted to fulfil his role as the Commissar. Typically, he had to call meetings of the Chinese seafarers 'quietly' and 'in our own cabins.' On foreign ships, the Commissar's main task

has little to do with the political-ideological work assigned by the Party. 'In fact, our major concern is to organise the seafarers and give them support, which is most needed by our seafarers in this particular circumstance.' 'We would ask our seafarers to be patient no matter what has happened. Mainly, we would help them by talking and listening to them,' as noted by several Commissars with experiences aboard foreign ships. To seafarers, the supporting function of the Commissar, therefore, seems becoming more important on board foreign vessels.

The seafarers, however, have mixed feelings when asked to comment on the 'implanted' Commissars. Some expressed pity or sympathy towards these commissars 'because they have to work as stewards', and '(I)magine they have to serve the Captains and other officers as servants!'. Most, however, did not seem to pay much attention to the existence of the Commissars aboard, '(A)fter all, they have to earn their wages as we do, just as ordinary seafarers.' The Commissars themselves, on the other hand, tend to have grudging feelings when recalling their experiences as 'stewards' on board foreign ships. They found it 'very difficult to organise or manage our seafarers in those hostile ship environments.' Some Commissars reported experiences of abuse by ship owners or foreign officers when their 'true identity' was suspected of or found out. Ship owners, at the same time, demonstrate mixed response to the Political Commissar Regime. According to the shipping managers, while most ship owners make it clear that they will not allow any Commissar in their fleet, some have begun to show interest in the regime with a few really making requests for Commissars to be placed on board their ships - 'these

ship owners have realised that with the Commissar aboard, the (Chinese) seafarers would actually easier to manage.’

Crewing world fleets with Chinese seafarers has become a focus of world politics since the mid-1990s. World trade unions demand that Chinese shipping companies, which supply most of the Chinese seafarers for foreign ship owners, pay their seafarers the union benchmark wages on the ground of ‘fighting unfair competition (Johnsson, 1996:365).’ Chinese shipping companies, on the other hand, argue that they cannot afford to pay these seafarers at ‘such a high level’ because they are still required by the government to provide their seafarers a limited amount of welfare and benefit provisions. Negotiations between the two parties opened in mid-1990s; little progress has been made to bridging the gap.

Conclusion

In 1793, in his mandate to King George III of England regarding England’s request to trade with China, Emperor Qian Long said, ‘We possess all things. Our Celestial Empire possesses all things in prolific abundance and lacks no product within its own borders. There was therefore no need to import the manufactures of outside barbarians in exchange for our own products (cited in Millard, 1989). Two centuries later at the beginning of a new millennium, the Chinese find that they are living in a very different world, a world where nations become increasingly interdependent where raw materials and manufactured goods are traded and transported globally. The 20th Century saw China emerging from a close, land-oriented imperial economy into a global maritime player,

with a significant merchant fleet and a large number of seafarers for the world labour market.

China's open-door policy adopted 20 years ago has not only restructured the country's shipping and brought it closer than ever to the world maritime community; it has also substantially reconstructed the Chinese seafarers' work context, their labour experiences and employment relations. All this, in turn, has re-defined their positions in Chinese society. As workers in other sectors of the economy, the Chinese seafarers' old identity as 'the masters of the country' granted by Mao under the planned economy is being forced out by their experiences of the complex social and economic changes taking place during the reform years.

One of the most important aspects of the contemporary restructuring process in the global economy is the discord between the liberal ideology which propels economic globalisation and the politics of labour rights (Gills & Piper, forthcoming). With its renewed emphasis upon the power of capital's economic rationalism, the present model of globalisation, to which China's economic reform is closely linked, demands a critical assessment of its impact upon workers' labour experiences. The empirical evidence noted in this paper shows that neo-liberal economic globalisation brings with it the deterioration of working conditions and a decline of the social and economic status of state industrial workers. In shipping, as in China other industries such as textile (Zhao & Nichols, 1996), both the work context and workers' labour experiences have been fundamentally transformed.

Despite the remaining state control, a seafarers labour market is taking shape in China as part of the emerging global labour market for seafarers with a large number of seafarers increasingly exposed to foreign capital, streamlined and stratified by rank, position, function, age, gender and other variable. In the years to come, especially when taking into consideration China's impending entry into the WTO, Chinese seafarers will find that they have to negotiate for their societal positions with both local/national and global/international forces. Domestically, they will find that both the state control and support will continue to be withdrawn from their employment relations with shipping companies as reform continues to deepen. It is very unlikely, however, that the government will loosen its grip over workers' demands for political representation in the country's newly shaped power structure as demonstrated in the on-going debate on what has happened to the seafarers involved in the Acadia Case. Globally, they will have both opportunities and challenges in the world labour market. On the one hand, many of them, especially those who are highly trained, experienced and have a good command of English, will benefit from the serious shortage of qualified seafarers in the world fleet. On the other hand, however, they will have to negotiate not only with foreign ship owners or managers but also with seafarers from other countries and world trade unions for a 'fair' share of the labour market at a 'fair' rate of wages. Chinese seafarers, therefore, will continue to draw attention from various forces in world political economy in the 21st Century.

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