

# Danwei

Dānwèi 单位

**The *danwei* (unit) was for many years after the creation of the People's Republic of China the all-inclusive work unit for urban Chinese, encompassing everything from a lifetime social welfare system to a network of work, home, and political relationships. The reforms of the last three decades have considerably weakened the traditional *danwei* system, where the price of security was often a lack of social mobility.**

**T**he *danwei* (unit) dominated the workplace in urban China after 1949. At its peak the *danwei* was ubiquitous: Government and party organizations, state-owned enterprises, financial institutions, and educational establishments were all designated as *danwei*. With relatively few exceptions *danwei* employees were entitled to lifetime employment. Typically a *danwei* provided its employees with housing, health care, recreational activities, rationed goods, pensions, and so forth. For many the distinguishing features of a *danwei* were a lifetime social welfare system from cradle to grave and a network of relationships encompassing work, home, neighborhood, and political membership. Thus, many scholars trace the origins of the *danwei* variously to the Communist free-supply system of the 1930s, the heritage of

labor protest, and the evolution of labor management institutions.

Still, the *danwei* is best understood as a part of the prevailing administrative system embracing virtually all government, business, and financial, as well as educational institutions in urban China after 1949. Such a definition emphasizes that these institutional entities were integral parts of the overall state administrative structure, a character that cannot be explained by any of the specific traditions or institutions scholars have heretofore examined. The evidence suggests that the origins of the *danwei* in the sense of the prevailing administrative system can be traced to the Nationalist struggle to rationalize the administrative bureaucracy during the War of Resistance against Japan (Second Sino-Japanese War, 1937–1945), when the Nationalists used the term *danwei* to designate political, economic, and administrative organizations. Beginning in the early 1940s the government and state-owned enterprises routinely used the term *danwei* to identify various organizations as well as units within those organizations. Even the term *work unit*, which for decades has been the standard although erroneous transliteration for the term *danwei*, was carefully defined in 1943 and thereafter used regularly in Dadukou Iron and Steel Works (DISW), the largest state-owned enterprise in Nationalist-controlled areas during the war.

These same *danwei* also acquired some of their defining characteristics during the War of Resistance against Japan, including *danwei* provision of social services and welfare. Studies have shown, for example, that during

the war self-contained enterprise-run service and welfare communities were formed. Employees lived in factory apartments and dormitories, bought their daily necessities at factory cooperatives, purchased vegetables grown at factory farms, and went to factory clinics and hospitals for medical treatment. Employees' children received their education in factory schools. When employees died, they sometimes were buried in factory cemeteries.

To put it differently, the *danwei* designation of political, economic, and administrative organizations and *danwei* provision of social services and welfare predates the Communists' rise to power. After 1949 the *danwei* became part of urban China's administrative system, expanded its function as the provider of social services and welfare, and developed new characteristics such as party control, permanent employment, and labor immobility. As a part of the prevailing urban administrative system, a typical *danwei* had administrative departments or divisions that matched their counterparts in pertinent administrative bureaucracies at a higher level. For example, a typical *danwei* had a finance department or division that coordinated with the finance department or division of a municipality and ultimately with the ministry of finance of the central government.

## Loss of Autonomy

An inevitable consequence of the incorporation of *danwei* into the overall administrative structure was the loss of autonomy on the part of *danwei* leaders or managers over issues such as wages and personnel. In addition, a typical *danwei* offered its employees housing, recreation and health-care facilities, schooling for their children, ration coupons for food, and pensions and burial funds. The *danwei* also engaged in a variety of political activities under party leadership and supervision, such as political campaigns as they were typically carried out *danwei* by *danwei*. In fact, the *danwei* represented an extension of the Communist Party because the *danwei* had within it either a party committee or commission, depending on the *danwei*'s size. Under the party committee or commission were the party secretary's office, the organization department, the propaganda department, and the

discipline inspection department. Such an organizational structure was designed to match the organizational structure of the Communist Party organization at a higher level. Finally, the *danwei* was characterized by not only permanent employment but also labor immobility. Few employees obtained permission to transfer from one *danwei* to another.

The reforms initiated by the Communist Party toward the end of the 1970s significantly affected the *danwei* system. Within the *danwei* the labor contract has replaced permanent employment as the basis of employment for a majority of employees. Material incentives have replaced ideological and psychological ones in an effort to promote labor productivity. Most *danwei* no longer provide employees comprehensive social services and welfare. The party-state has relaxed what had been rigid administrative and political controls that various *danwei* exercised over their employees. Employees can transfer from one *danwei* to another with relative ease. At the same time, the reforms have permitted development of joint-venture, collective, and privately owned enterprises, which are not extensions of the government apparatus. Within those new enterprises entrepreneurs and managers have introduced practices of scientific management designed to enforce labor discipline and maximize profits, although recent studies suggest that some of the enterprises have reproduced many features of the *danwei* system.

## System Weakened

The reforms of the last three decades have not only weakened the traditional *danwei* system but also have had profound implications for the reconfiguration of urban Chinese society. In response to the tremendous social and economic changes, including the massive unemployment resulting from the reform and privatization of state-owned enterprise *danwei* and the presence of millions of migrant workers, the party-state introduced in the 1990s experiments that led to the creation of new urban communities (*shequ*) under government control and supervision and with jurisdiction over clearly demarcated urban space. The responsibility of those communities was no longer confined to the provision of

social services and welfare; it included functions ranging from social service and welfare provision to culture, health, education, morality, policing, and grassroots democracy. Although the future of those communities is unclear at the dawn of the twentieth-first century, it appears that the communities may eventually replace the *danwei* as the basic social and administrative organization in urban China.

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## Further Reading

- Bian, M. L. (2005). *The making of the state enterprise system in modern China: The dynamics of institutional change*. Cambridge, MA: Harvard University Press.
- Bray, D. (2005) *Social space and governance in urban China: The danwei system from origins to reform* Stanford, CA: Stanford University Press.
- Lü Xiaobo, & Perry, E. J. (Eds.). (1997). *Danwei: The changing Chinese workplace in historical and comparative perspective*. Armonk, NY: M. E. Sharpe.

Love my house, love the crow on it.

爱屋及乌

Ài wū jí wū

