Interpreting Chinese Labour: Informalisation or Empowerment?

Edited by Ivan Franceschini and Kevin Lin

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The struggle and activism of Chinese workers has been a topic of primary interest since the beginning of the reform era. Still, expectations have never been higher than in the past few years, with an unending stream of media articles and academic papers hailing the new-found rights awareness of Chinese workers—especially the so-called second generation of migrant workers—as a critical development with the potential to disrupt the very foundations of the Chinese industrial and political system. This narrative describes a boom in strikes, sees social media as a revolutionary mobilisation tool, and portrays younger workers as eager to fight for their rights. Amid the euphoria, is such optimism warranted?

*In fact, significant literature in both Chinese and English has argued that the discontinuity between the old and new generation of migrant workers has been exaggerated. However, these voices have been subsumed under the catchier narrative. In a **recent article**, Ching Kwan Lee has critiqued the work of fellow labour scholars for adopting an excessively optimistic view of labour activism in China. In particular, Lee has identified and challenged four claims advanced by the supporters of what she calls the ‘empowerment thesis’: the idea that Chinese workers are increasingly active and motivated to mobilise; the assertion that the new generation of migrant workers is more class and rights conscious than the first; the alleged maturation and radicalisation of labour activism, with workers’*

demands changing from defensive to offensive; and the claim that consistent increases in wages in China should be considered as evidence of workers’ effectiveness and empowerment.

Arguing that such claims have scarce factual basis and that they overlook structures of inequality and power imbalances that lead to precarity, she launched an appeal to her peers: ‘In this day and age of global precarisation, it has become ever more important that labour scholars, of China or elsewhere, resist the temptation of subjectivism and voluntarism, and recall Gramsci’s famous motto: pessimism of the intellect and optimism of the will’. Heeding this advice—and in order to gain a better understanding of precarity and its effects on the Chinese workforce—we have invited three labour scholars who have researched precarious labour in its various manifestations in the Chinese labour market to offer some insights based on their experience in the field.

What form has precarity and informal labour taken in the industries that you have researched, and what effects has it produced in the labour force?

Kaxton Siu: Over the past decade, I have been researching Chinese workers in toy, garments, electronics, and sanitary industries. Some of them work inside factories, while others, like street cleaners, work out in the open. The forms of precarity and informality, as well as their impact, differ from one industry to another. For workers in factories, major forms of precarity are still in the domain of working conditions, such as excessively long working hours, unpaid overtime, low wages, wage arrears, and occupational hazards. As for workers in the service industry such as street cleaners, most of them do not have stable jobs. Many of them just engage in irregular casual work, become part-timers, do not have regular working schedules, and receive very low wages, etc.

Sarah Swider: My research has mostly focussed on the construction industry, which is characterised by a bifurcated workforce. Most professional, managerial, and administrative jobs are full-time, stable, include benefits, and are filled by urban workers. In contrast, field positions, which are on jobsites, are mostly informal jobs filled by peasant workers from the rural areas who face precarity in their work and lives in the cities. They work under several different kinds of employment configurations, which shapes their precarity and vulnerabilities. I have documented three prominent employment configurations in this industry: *mediated*, *embedded*, and *individualised*. Many peasant-workers toil under *mediated employment*, named this way because their employment relationship is mediated by middlemen; usually large contractors who bring them into the city, house them, feed them, and pay them only at the end of year-long (informal) contracts. Others work in *embedded employment*, using social networks to find

work, which embeds their work into these social networks, and in turn regulates the employment relationship. Finally, some workers toil in *individualised employment*. These jobs are found through street markets, and employment relations are highly despotic as unrestrained employers use violence, or the threat of violence, to deal with workers. These varied arrangements of precarious and informal work capture the increased fragmentation that makes it difficult to build solidarity. However, as informal workers, they tend to engage in struggles for recognition as workers and/or as citizens rather than struggles for increases in wages, benefits, and traditional worker/union demands. In general, formal precarious workers engage in struggles to increase wages; informal precarious workers engage in struggles to get paid at all. Formal precarious workers struggle for better benefits and representation; informal workers must struggle to be recognised as workers, and therefore, to be deserving of benefits.

Anita Chan: Many scholars have focussed their attention on industrial relations in the labour-intensive export sector in South China, but there have been few studies of capital-intensive industries such as the automotive industry. Back in 2011, I carried out a questionnaire survey with several hundred workers from five auto-assembly plants—note, not auto-supplier plants—all joint ventures with German, American, and Japanese partners. To my surprise, I found that the disparity between regular workers and agency workers is not big; in fact, it is remarkably small. For instance, not only the difference in length of contracts between the two groups tended to be small, but also the gap in their take-home wage was relatively little, with agency workers receiving on average 80.8 percent of the salary of their regular peers. The gap was further mitigated through annual bonuses. There was also no significant difference in work hours—both categories worked

around nine and a half hours a day—and, even more importantly, all of them maintained almost the same neutral to positive attitudes towards management. The only significant difference concerned union membership: while sixty-eight percent of the regular workers were members of the company union, only 28.4 percent of the agency workers declared themselves as being union members. The reason behind this is that, from a managerial perspective, satisfying workers' material needs and keeping a stable and motivated workforce are of paramount importance in this industry. For this reason, agency workers have to be made to feel that they are having a fair if not equal deal compared to regular workers. And, let's be honest, companies can easily afford this!

Alongside reports of precarious labour conditions, in the past decade a notable shift in the narrative of Chinese labour has occurred. While in the past Chinese workers were often described as being 'under assault' by their employers and the forces of globalisation, now there is much emphasis on their so-called 'rights awakening', especially among the youngest generation of migrants. Looking at the sectors you research from a long-term perspective, do you think that workers' consciousness has changed significantly? And, does workers' consciousness and agency play a measurable role in shaping their labour conditions today?

Kaxton Siu: In recent years, much research has been done on the collective actions of Chinese workers and the impact of such mobilisations on workplace labour conditions, as well as on the responses of the Chinese state (for instance, experiments of types of collective consultation). However, from a long-term perspective, it seems that the discourses about the younger generation of migrant workers and Chinese workers' 'rights awakening' have been overstated. On the one hand, it has been seen that the sud-

den rise of Chinese workers, witnessed for instance during the famous Honda strike of the summer of 2010, could not be sustained and turned into a significant political force influencing the labour policy of the Chinese government. On the other, various initiatives of the Chinese state, such as various 'collective consultation' experiments in different localities, diverged in their outcomes. Particularly, in some industries—such as the sanitary industry—where workers are more informal and precarious in terms of their working conditions and workplace bargaining power vis-à-vis employers, these official initiatives still cannot improve the livelihoods of vulnerable workers. As for workers' consciousness, despite what I mentioned above, from a long-term perspective, we indeed have witnessed some development of working-class consciousness among Chinese workers over the past twenty years. As many studies and factory ethnographies have documented, in the early 1990s, not only did Chinese migrant workers lack any sense of class consciousness; they also had a very fatalistic outlook. Their migrant worker identity, especially for young female migrant workers (*dagongmei*), was primarily constructed as an outcome of particular socio-economic and institutional structures, namely: the Chinese household registration system, the Chinese patriarchal structure, and the managerial domination by foreign capital inside factory workplaces. However, since the mid 2000s, we have seen some strike cases that demonstrate significant development in workers' consciousness. Not only have workers started to demand wages above the legal minimum, but workers have also started to organise themselves with fighting spirit and solidarity in the face of massive police suppression and violence. That being said, the majority of present-day Chinese migrant workers are still waging isolated uncoordinated rights-based protests and strikes. Only a few have gone beyond rights-based demands to an interest-based level in re-

questing more than what is stipulated in current Chinese labour law. Only very few Chinese migrant workers are conscious enough to ask for setting up or re-electing workplace trade unions, or to organise strikes beyond individual factories at regional and country-wide levels.

Sarah Swider: This narrative of Chinese labour has been largely based on the experience of manufacturing workers. The number of factory workers who are still working under secure ‘iron-rice bowl’ conditions established under state socialism is dwindling. At the same time, there is an increasing number of peasants that have left the fields, but kept their land, and entered the factory to become ‘peasant-workers’. These two groups have very different social positions within society, different relationships to land and capital, and both are changing. As such, for each group a different worker consciousness emerges under marketisation. This is coupled with a generational shift characterised by younger workers who only have experience with state-led capitalism. However, construction workers are quite different. The construction industry has always relied heavily on peasant workers. These peasants were disadvantaged under the state-socialist system of the past, excluded from partaking in the ‘iron rice bowl’. Today, under marketisation, they play an important role in urbanisation, but they are still disadvantaged, excluded from the benefits of urbanity and modernity. In other words, there has been no shift in their social position or their relations to land and capital. However, their changing environment does have an affect on them, and this is leading to a shift in worker subjectivity. Despite their continued connection to the land, many of these migrants are now spending most of their lives in the cities, which in many cases exposes them to other workers and protests. Thus, the paths that they imagine are possible, the number of potential avenues of protest, and the targets and

the goals of the protests have grown and changed over time. Protests among construction workers, especially those focussed on wage arrears, are likely to be ‘**public drama protests**’ in which workers use drama to gain attention from the public, local and state officials, and other employers in the contracting chain to apply pressure so that they get their wages paid. These protests are usually collective actions, they are dramatic and creative so as to draw attention, and while they may publicly blame the contractors, they often indirectly target the state-owned enterprises (SOEs) or the companies further up the contracting chain, depending on the money flows. These protests are often successful because: a) they are sporadic so the government cannot predict or prevent these actions; b) they gain attention from the public and media that increases the costs of squashing the protests; and c) they garner symbolic power rather than power from disruption, which is more likely to gain support from different groups.

Anita Chan: Some scholars believe that agency workers and student interns in the automotive industry in China are second-class industrial citizens who harbour deep grievances due to this discrimination. In their opinion, this engenders labour activism. Personally, I think that this is an overstatement. Through my research, I found that the treatment these agency workers receive and their attitudes and aspirations are not decidedly different from regular workers, and certainly do not provoke a sense of injustice and anger. After all, for a whole decade since the mid-2000s there has been no big protest in China’s auto assembly plants. My survey points to an overwhelming unwillingness to seek collective representation, less still to take militant action. For instance, when I asked the workers how would they solve a grievance, 44.9 percent of agency workers and 49.2 percent of regular workers said that they would go to their supervisor; 24.7 of agency work-

ers and 21.3 percent of regular workers said that they would not ask anyone; and 13.6 of agency workers and 13.3 percent of regular workers said that they would just look for another job. Only 4.4 percent expressed a choice that entailed publicising their grievances beyond the workplace and soliciting external help, with as little as 0.4 percent of the respondents willing to go on strike. On the contrary, I found that both groups of workers were quite responsive to the paternalism of the company, with seventy percent of the agency workers and a slightly higher percentage of regular workers feeling let down if they did not receive festive gifts or money through the union or management. We also have to take into account the fact that compensation in the automotive industry is relatively high—in the companies in my survey the average basic wage was about double the local legal minimum wage and the take-home pay for both types of workers ranged from two to four times that of the local minimum wage.

Since the early 1990s the Chinese authorities have been adopting an increasingly complex body of labour laws and regulations, much of it quite favourable to workers. Is this turn to the law a sign of a genuine commitment by the authorities to protect worker rights against precarity? Have the Chinese labour laws limited or fostered precarisation?

Kaxton Siu: The 1994 Labour Law was the first comprehensive labour legislation passed in China since the founding of the People's Republic. The passage of the law stirred up a debate among government bureaucracies. At that time, the All-China Federation of Trade Unions (ACFTU) fought to ensure that the spirit of the law was advantageous to workers. However, the law did induce a change in workers' awareness, and migrant workers in the Guangdong region gradually began to use the law as an instrument to 'protect rights' (*weiquan*). Note that these rights refer to

legal rights and not to inalienable human rights. The social discourse on 'rights protection' entails acceptance of prevailing laws as the standard by which work conditions and wages should be set. With the passage of the 1994 Labour Law, many Hong Kong labour NGOs, usually staffed by a few people, began setting up offices across the border, mostly in Shenzhen. These organisations played a significant role in popularising the idea of 'rights protection' among Chinese migrant workers in the area. Their programme focused on raising awareness among migrant workers of the details of the Labour Law and other regulations related to workplace health and safety. They taught migrant workers how to read their pay slips and pointed out where the payment and work hours fell short of legal requirements. They helped injured workers to seek compensation, which requires an expert understanding of how to assess grades of injuries and litigation procedures. Their persistence paid off within the space of a decade. Most migrant workers today in this part of China know about the legal maximum overtime, about the region's official minimum wage, and about industrial injuries compensation. Taking bosses to court for underpaying, going to the authorities to lodge legal claims for back pay, and suing for compensation for workplace accidents have become commonplace. Litigation is a legitimate form of protest. From a historical perspective, the passage of various labour regulations by the Chinese government has had positive impacts in protecting workers against further precarisation. However, we should note that the 1994 Labour Law was passed not because workers had been collectively making demands on the government, but because there was a consensus within the political elite that social stability had to be maintained by having a law to regulate industrial relations.

Sarah Swider: The law is contradictory in nature. In the process of defining 'work-

ers', it leaves many **out of the category**; in the process of carving out protections, it creates **unprotected activities and spaces**; in defining some actions and activities as legal, it makes **others illegal**. Furthermore, the law is often intentionally ambiguous, leaving it to local and national leaders to interpret. Finally, laws and interpretations are only **as good as the enforcement**, which requires a **different set of institutions and resources** than those required to make laws. Thus, laws are not an adequate tool for limiting precarisation or limiting worker vulnerability, and this holds true across different national contexts. However, the multitude of complex labour laws that have been instituted in China still matters for workers. In some instances, the laws have become **another tool in a worker's arsenal** to deal with industrial conflict, and in other cases, the laws hold symbolic power, sending a message to local-level government and international capital to pull back on exploitation. In sum, laws make a difference but sometimes in unexpected and/or complex ways.

Anita Chan: There is indeed a problem of implementation, as the law has substantially failed to control the growing number of agency workers and abusive work practices. While not all auto assembly plants use agency workers—for instance BYD and Hyundai in Beijing do not—the five joint ventures in my sample do, even for up to half of their workforce. But the length of contracts of the two types of workers are both short. The average length of contracts for regular workers was about three years, whereas for agency workers it was about two years. There is a chance for agency workers to become regular workers, and regular workers having signed two short contracts can get a permanent contract, but this is quite rare. In this sense, even regular workers' employment is quite precarious. They are aware that in times of recession, they may be laid off as well. If we consider that these com-

panies are all joint ventures in which one of the partners is an SOE at the provincial or city-level, it may appear paradoxical. But in reality the SOEs are the ones that employ the largest number of agency workers. There is a historical legacy to this. In the late 1990s, when millions of state workers were laid off, SOEs were required to set up employment agencies to find work for the laid-off workers. When it was discovered that agency workers can serve as buffers to the vagaries of the market, they were used in a big way, and they still are.

What is your assessment of the field of Chinese labour studies today, in China as well as abroad? In your opinion, is there any empirical and/or analytical gap that still needs to be filled and what should be done to address it?

Kaxton Siu: Due to the rise of China as a global powerhouse over the past twenty years, there is a great wealth of research about Chinese labour today. However, there is a tendency to consider the development of China and the making and re-making of the Chinese working class over the past decades as unique and exceptional. But is the Chinese experience really that exceptional? To answer this question, we should compare China to other similar socialist countries, such as Vietnam. Unfortunately, not much research has been done to compare labour conditions, industrial actions, trade union reforms, as well as modes, sequencing, and trajectories of economic reform in China and these countries. Another empirical gap is related to the recent household registration reform and the parallel change in the urbanisation process happening in China. Since the mid-2000s, a growing number of migrant workers have moved with their spouses and children from the countryside to industrial cities. In 2014, this phenomenal shift in migration patterns has led the Chinese government to reform their household registration systems. Now, thanks to

the reform, it is said that it is easier for migrant workers to stay in the urban areas where they work. There, they are encountering new modes of housing arrangements, new forms of community relations, integration into new social networks in cities, and new household organisation strategies. Exactly how this process of integration happens and how the mobility of the families of migrant workers affects workers' outlooks on their working and family lives are worthwhile topics for further research. Yet these major shifts have barely been studied, nor has there been research done on how the new surge in married migrant couples with children affects labour relations inside the factories.

Sarah Swider: In China, some of the most interesting labour questions are about the relationship between labour politics and regime stability, especially given the **significant rise in labour protests** in the last few decades. Authoritarian regimes are generally believed to be **unable to tolerate political mobilisation and protest**, but China's variant of authoritarianism has encouraged, and sometimes stimulated and directed it. Some studies suggest that China's **regime longevity** has been because of, not despite, social protests, as it contributes to legitimacy, creates a **carefully managed outlet for anger**, and shapes and exploits cleavages among groups. This compels us to ask, under what conditions is this less likely to happen? What segments of labour are more difficult to control or more likely to push the boundaries? What issues or subjectivities are more likely to allow groups to overcome cleavages and fragmentation, and what forms of organising and protest are less likely to be controlled/co-opted? More generally, the rise of precarious work and the persistence of informal work across the globe means that most of the world's workers are beyond the formal economy and outside of state welfare and protections. We need a new paradigm to understand this reality and it will require

us to rethink the relationships between the state and the economy, between production and redistribution, and between the productive and reproductive spheres; all of which might prove to be fertile ground for reimagining work, labour politics, and the future(s) of workers.

Anita Chan: In the past couple of decades, Chinese labour studies outside China have expanded rapidly, from only a handful of scholars working on the issue to a few dozen. However, there is an over-concentration on the study of migrant labour, with an overwhelming focus on Guangdong province. This imbalance has led to an excessive emphasis on labour resistance because a disproportionately large percentage of labour protests have been taking place in the South. In my view, it is time that we begin to branch out to explore new areas, new sectors, and new locations where labour protests are not that prevalent. In the instances where we find that workers in different places are more compliant, then it would be our task to explain why.