

## BUILDING CHINA

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## *Informal Work and the New Precariat*

SARAH SWIDER

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## Chapter 1

# BUILDING CHINA AND THE MAKING OF A NEW WORKING CLASS

### Of Cement and Cigarettes

Dan squats near the gate and takes a slow drag from his South Sea cigarette. These cigarettes, called *Zhongnanhai* in Chinese, are named after an imperial garden next to the Communist Party headquarters. The name is rightfully earned, given that these are purported to have been Mao Zedong's favorite cigarettes. When Dan exhales, the billow of smoke lingers in the hot, still Beijing air. Dan is from Hebei—a province that surrounds Beijing and a place where everyone seems to smoke South Sea cigarettes. He crushes the hot ash between his calloused, cement-caked fingers, rises slowly from squatting position, and returns to work.

Dan spends most of his day bent over with his back facing the sun as he swings a shovel, mixing and moving cement. In 2010, China used 57 percent of the global production of cement for less than 20 percent of the world's population, and between 2008 and 2010, it used more cement than the United States used during the entire twentieth century (Smil 2013, 91). As Dan

works, a fine dust fills his lungs and covers his body in a white-gray sheen. Sweat drips from his forehead into this textured material that is the key ingredient in building China.

Cement is used in both mortar and concrete: it is the glue that holds things together and the substance that gives most buildings their shape. Similarly, migrants like Dan are the glue and substance of China's modern cities. Like cement, they are ubiquitous yet easily overlooked. The estimated 260 million migrant workers in China are concentrated in the cities, representing 25 percent of the population of Shanghai, 30 percent of Beijing, and 40 percent of Guangzhou. Like mortar, these migrants hold the cities together, doing all the menial jobs that make things hum: they are porters, food preparers and servers, domestic workers, nannies, cleaners, retail and street vendors, sanitation workers, and workers in manufacturing and, of course, construction.

These workers are also like mortar in that they connect the large cities of China's East Coast to the rest of the country. One can almost map the origins of workers on a jobsite based on the cigarettes they smoke. In addition to Dan's favored brand, South Sea (Zhongnanhai), which indicates his home province, Hebei, a quick glance around the jobsite reveals workers smoking Pride (Jiaozi) from Sichuan, Double Happiness (Shuangxi) from Shanghai, Happy Cat (Haomao) from Shaanxi, Jade Creek (Yuxi) and Red Tower (Hongta Shan) from Yunnan, and Red Sand (Baisha) from Henan.

Just as migrant construction workers build China's cities, so too are their lives built around their work in the cities. Dan is only nineteen. He did not go to high school, and like hundreds of millions of other migrant workers, he came to the city to follow his dreams and find his future. He has two major life goals: to have a family and to become rich. He traveled to Beijing to acquire the "three keys" that are necessary to realize his dreams: a key to an office, a key to a house, and a key to a car. To reach his goals, Dan must first work his way into a good job (the key to an office); in construction, this means striking out on your own to become the boss or a contractor. Then, he will be able to afford a house and a car, or at least a motorcycle. Dan is from a poor family, and it is almost impossible to find a bride without something to offer; in China today, a groom is expected to bring the three keys to the table. How many shovelfuls of cement will it take for him to reach his goals?

This morning, Dan woke at 6:00 a.m. and was on the jobsite working by 7:00 a.m. Along with millions of other migrants, he does this day after day,

year after year. He sometimes hums a tune as he swings the shovel. In the cool morning hours, it is not uncommon to hear humming or songs throughout the jobsite or to see smiles on workers' faces. By midmorning, breaks for cigarettes and water are a part of the rhythm, breaking the monotony of mixing, shoveling, and hauling. Inhaled smoke, coupled with small sips of warm water, provides relief from the alkaline dust. It also gives the body a moment to rest, the mind a moment to wander, and the spirit a moment to recover.

Like the concrete used in the buildings, these migrants give cities their form. In doing so, they become part of the cities they build. Dan has worked in Beijing for almost two years but has saved little money. I look over at Anlin, who is also smoking a South Sea cigarette. He is fifty years old, and his back is permanently hunched from years of lifting and bending as he works piles of cement. His hands are coarse, his face and back are darkened from long days in Beijing's unrelenting sun, his arms are scarred by accidents, and his body is gaunt from arduous work with minimal food. He doesn't return home anymore; his wife left, and his children grew up without him as he worked year after year in cities chasing his dreams. Cigarettes and cement, like the songs of the Sirens, lure many migrant workers away from home and down this path.<sup>1</sup> They offer the irresistible promise of a "Chinese Dream," but like the sailors trying to reach the Sirens, the workers are destroyed in the process of trying to realize that dream.<sup>2</sup>

Dan and Anlin are part of the growing number of informal precarious workers who are building a new, modern China. In the process, these workers are not only erecting concrete buildings and changing the cities but also reshaping China's working class.

## **Constructing China: Urbanization, Migration, and Informalization**

Historically, the process of building cities has been a people-driven response to demographic shifts. As people move into cities, buildings and structures are built to accommodate them, which is how most cities grow.<sup>3</sup> However, the current historical period has witnessed a shift in the process of urbanization from people-driven to capital-driven. In cities characterized by capital-driven growth, capital investment has moved from manufacturing

and production into building and real estate (Harvey 1985). Construction becomes a strategy of capital accumulation, changing from providing a means to an end to becoming an end in itself.

China is the paradigmatic example of this process. Urbanization is the cornerstone of China's modernization project and a driving force behind the nation's economic growth. In places like India and Africa, urban land expansion is driven by urban population growth. By contrast, in China it is driven more by growth in the per capita gross domestic product (GDP), which accounted for almost half of China's urban land expansion between 1970 and 2000 (Seto et al. 2011). Accordingly, China's construction industry experienced a spectacular annual average growth rate of 22 percent from 2001 to 2008 (Huang, Lan, and Bai 2013), representing about one-fourth (US\$1.4 trillion) of China's GDP (National Bureau of Statistics of China 2010). Recently, its output value has surpassed that of the construction industry in the United States, making it the largest in the world. China is projected to account for about one-fifth of the global construction industry within the next decade (Ai-ju 2011).

This massive building spree is literally and figuratively remaking China. It is restructuring space as some of the world's longest bridges, tallest buildings, largest dams, and most expansive manufacturing facilities spring up across the landscape. An important part of this restructuring involves the movement of people, as hundreds of millions of migrants leave rural areas for growing cities. By the end of 2011, over 50 percent of China's 1 billion people lived in urban areas, many of them large cities. There are 160 cities with more than 1 million people; four of these have more than 10 million, and two megacities, Shanghai and Guangzhou, have more than 20 million.<sup>4</sup>

The process of building China is also (re)making its working class. The workers who build and serve the cities, along with those who produce goods for the world to consume, are mostly migrant workers.<sup>5</sup> They, or their parents, grew up in the countryside; they are farmers who left the fields and migrated to the cities to find work. In China, migration is regulated by the *hukou* system. This system involves an internal passport that, among other functions, restricts mobility and requires that migrants register in their new location, even if it is a temporary one. However, many migrants do not register. These unregistered migrants are similar to illegal migrants in other countries in that they have no access to social welfare or public goods, and as unregistered residents, they technically have no right to be in the city.<sup>6</sup> One

estimate suggests that unregistered migrants make up roughly 12 percent of the urban population (X. Wu 2005); another study reveals that in many of the larger cities of the East Coast, more than half the migrants are unregistered (FL. Wang 2005, 78).

Most unregistered migrants end up working in precarious jobs in the informal economy.<sup>7</sup> Informal work includes jobs that pay wages but do not conform to labor laws and regulations, along with self-employment in businesses that are not registered with the state (Williams and Windeband 1998).<sup>8</sup> In China, the informal sector has evolved in tandem with economic marketization, urbanization, and integration into the global economy. Informal employment has grown from 15,000 workers in 1978, when economic reforms began, to more than 168 million in 2006, now representing over 60 percent of total urban employment (P. Huang 2009). Migrant workers perform most of the informal work.<sup>9</sup> It is concentrated in specific industries, including the construction and service industries, and specific occupations, including street vending, domestic work, child care, and recycling.

Examining the construction industry provides us with an understanding how the forces of urbanization, migration, and informalization are reshaping both China and its workforce. This industry involves one-third to one-half of all migrant workers and is the number-one industry hiring male migrants.<sup>10</sup> Informal employment in construction has grown from roughly 17 percent in 1999 to an estimated 70 percent in 2008 (Wells and Jason 2010; Lu and Fox 2001). In sum, the construction industry is an important sector representing informal precarious work in urban China.

## **Moving beyond the Façade: Uncovering and Understanding Informal Work in China**

In an effort to understand the dynamics of informal work in China's construction industry, I immersed myself in the everyday life and work of male migrant construction workers for almost a year in 2004–5, followed by three shorter follow-up visits between 2008 and 2012. During this time, I gathered data from four types of research sites: enclaves including the one where I lived; construction jobsites including those where I worked; street labor markets; and governmental and nongovernmental organizations that serve migrant workers in Beijing and Guangzhou. The process of choosing sites and gaining

access was complex and required a multipronged approach, which is detailed in appendix A. This ethnographic method allowed me to explore some of the processes that shape this large and growing informal precarious workforce. It produced a rich tapestry of data that provide a unique lens into their everyday lives, work, and existence in the cities.

Most of my effort focused on construction workers. I spent most of my time on construction sites in Beijing, Shanghai, and Guangzhou (see appendix B).<sup>11</sup> In total, I interviewed 130 people: 83 people in 2004–5; 24 interviews in 2009; and 23 interviews in 2012 (see appendix C).<sup>12</sup> These interview data are supplemented by field notes and journals that include observations and insights gained from participating in the lives of workers in the enclaves and on the jobsites.<sup>13</sup> During the data collection process in Beijing, I mapped out informal employment in the industry, developed the concept of “employment configuration,” and identified three different employment configurations. I continued data collection until saturation was reached, meaning that new interviews and observations were not yielding significant new insights or data. I then decided to collect data in both Shanghai and Guangzhou in an effort to determine whether Beijing was a unique case or if it resembled other cities. I found that the three employment configurations existed in the construction industry in all three cities, but the prominence of each varied across these places. Since the main purpose of this book is to define and describe employment configurations in the industry, I draw mostly from the rich data accumulated from research in Beijing, and then, in the final chapter, I discuss similarities and differences across the cities and how they can inform future research.

This book makes three main contributions to our understanding of informal work in China. First, it documents diversity in employment relations and the labor market. This diversity exists in spite of the fact that all of these workers are similar: they are all men who are unregistered migrants working informally in the construction industry in major cities in China. This book helps us make sense of that diversity and the diversity of informal precarious work more generally. Second, it expands our understanding of China’s emerging labor regime, which is central to labor control, intimately related to the urbanization process, and ultimately linked to China’s overall economic success. Finally, it shows how these migrants struggle against the disciplining process, contest exploitation, and protest in unique ways. Just as with other workers toiling under capitalism, important structural

forces shape their work and lives but are not deterministic. Thus, this large, emerging segment of workers should not be overlooked when analyzing the complexities of class and class politics in China.

### **Mapping out Diversity of Informal Work: Employment Configurations**

The diversity of employment arrangements and working conditions that I found among these informal precarious workers is surprising because the scholarship tends to focus, explicitly and implicitly, on the difference between the categories of formal and informal work. As Williams and Lansky's (2013) review of the literature reveals, informal employment is either framed in opposition to formal employment, or it is defined in terms of what it is not. In the absence of a strong definition, formal work is seen as standard employment offering decent pay and good working conditions, and informal work is seen as nonstandard employment characterized by low wages, poor working conditions, and harsh labor control regimes (Castells and Portes 1989; Sassen 1994).<sup>14</sup> However, the boundaries between formal and informal employment have become blurrier as standard employment relations unravel across the globe and are replaced by increasingly precarious employment arrangements such as contingent, contract, temporary, and part-time work (Carré 2000; Kalleberg 2000).<sup>15</sup> Studies documenting precarious employment arrangements reveal the growing diversity of these arrangements and the increasing number of people in the flexible labor force that feed the global economy. Yet the scholarship remains focused on formal (precarious) work arrangements, leaving informal workers mostly hidden (Vosko, MacDonald, and Campbell 2009). This is despite the fact that informal workers represent anywhere from 20 to 90 percent of nonagricultural employment (Gottfried 2013) and constitute the largest sector of the worldwide labor market (Agarwala 2009).

Informal workers are being pulled "out of the shadows" and recognized as an increasingly important segment of the working class in both developed and developing countries (Fernández-Kelly and Shefner 2006).<sup>16</sup> We know that they are concentrated in key occupations and industries as street vendors (Cross 1998a), domestic workers (Hondagneu-Sotelo 2001), waste pickers (Medina 2008), day laborers (Valenzuela 2003), and home-based workers

(Kantor 2003).<sup>17</sup> Scholars have also identified important differences between informal self-employment, also referred to as “own account” work, and informal wage employment (Williams 2013). These nuanced studies and the insights they provide into informal work and labor politics do not go far enough to differentiate this huge segment of the workforce. In part, limitations are the result of an industrial labor relations framework that largely excludes informal workers and their employment situations from our analysis (M. Chen and Vanek 2013).

One of the most intractable issues in research on informal employment arises from the concept of the “employment relationship,” a legal category that by definition excludes informal work. The International Labour Organization (ILO) states: “The employment relationship is the legal link between employers and employees. It exists when a person performs work or services under certain conditions in return for remuneration.”<sup>18</sup> As a result, labor laws create categories of *formal* precarious work (e.g., temporary, contracted, or part-time), and *informal* work remains undifferentiated. This framing also implicitly distinguishes between formal work as regulated and informal work as unregulated. This book challenges that assumption by showing that informal work, despite being outside the law, is indeed regulated, albeit in different ways.

Another limiting aspect of this framework is related to labor market models (M. Chen and Vanek 2013). Most scholarship on labor markets places formal work in the center and treats the informal market as a residue of a previous primitive form of capitalism or a cheaper substitute to formal employment (Williams and Round 2008). Informal workers are theorized as forced into informal work by *exclusion* from the formal economy or as choosing to *exit* the formal economy and voluntarily enter informal work because it offers desirable alternatives for workers and businesses and owners who are strangled by regulations (Perry et al. 2007). This framing focuses attention on the related “good/bad” job dichotomy and obscures the diversity of arrangements within and across the formal/informal divide.

In an effort to bring informal work back into our framework, overcome existing definitional and conceptual limitations, and make sense of the empirical diversity of employment arrangements, I have developed a new concept: “employment configuration.” *An employment configuration is defined as a specific pathway into employment linked with a specific mechanism that regulates the employment relationship.* The term “pathways into employment” di-

rects our attention to how informal workers find their jobs rather than on how they enter the informal economy, allowing us to unpack diversity in the labor market on the informal side of the formal/informal binary. Furthermore, identifying and naming the mechanisms that regulate the employment relationship moves beyond the legalistic definition to recognize that extralegal mechanisms also shape employment relationships. Finally, the term “employment configuration” links how workers find their jobs and how their employment relationships are regulated.

My ethnographic work in China’s construction industry reveals clusters of experiences, which are grouped together into three distinct employment configurations among informal migrant workers (see table 1.1). In some cases, workers find jobs through large labor contractors with whom they do not have a direct link through social networks. In these cases, the employment relationship is established, mediated, and regulated through a contract labor system based on a standardized, widespread, yet informal agreement. The resulting employment configuration is called *mediated employment*. Workers who use their social ties to find work operate under a configuration of *embedded employment*, where their employment relationships are embedded in and regulated through social networks. Finally, workers who find employment through street labor markets face despotic employment relations

Table 1.1. Summary of employment configurations

Employment configuration	Labor market (pathway into employment)	Employment relations (mechanism of regulation)
Mediated	<ul style="list-style-type: none"> <li>Workers use large labor contractors to find jobs</li> <li>Rural labor market</li> </ul>	<i>Mediated</i> and regulated by contractors and contracted labor system
Embedded	<ul style="list-style-type: none"> <li>Workers use social networks to find jobs</li> <li>Rural and urban labor market</li> </ul>	<i>Embedded</i> in social networks and regulated by these networks
Individualized	<ul style="list-style-type: none"> <li>Workers use street labor markets to find jobs</li> <li>Urban labor market</li> </ul>	<i>Individually</i> subordinated to unadulterated market forces and regulated mainly by violence or threat of violence

rooted in unequal power relations due to unchecked market forces. Employment relations in this case are mainly regulated through violence or the threat of violence, in what I label *individualized employment*.

I uncovered only three types of employment configurations among informal workers in the construction industry, but there may be more, especially if we include formal work. The number and types of configurations may also vary across construction industries in different countries or across different industries within a country. Exploring these possibilities will require additional research and comparative work.

The chapters to follow provide rich details that flesh out these definitions. They analyze the diversity of work situations experienced by these informal workers and show how most workers enter into and remain within one specific employment configuration. The focus on diversity within informal work rather than across the formal/informal divide (Nee, Sanders, and Sernau 1994) helps us understand why some workers are extremely mobile and others much less so. It also sheds light on how and why social networks operate differently among different groups of informal workers, in some cases operating as important tools for recruitment (Pun and Lu 2010), and in other cases, as a burden avoided by contractors (Menjivar 2000; Guang 2005). In sum, the concept of employment configuration is robust in that it offers additional analytical leverage and captures a broader range of employment relations, expanding our framework to include informal workers.

## China's Labor Regime and the Spatial Politics of Production and Social Reproduction

China's integration into the global economy is characterized by a production system and a labor regime that successfully competes against, and in many ways out performs, flexible production and traditional Fordism. I argue that this success is, in part, based on the creation of a low-cost precarious workforce accomplished through spatially merging and separating (1) production, (2) daily reproduction, and (3) social reproduction of labor in ways that lower the daily costs of labor reproduction and eliminate the need for employers to pay a wage that can reproduce labor.<sup>19</sup>

As China's economy has grown, China's workers have received a shrinking piece of the expanding economic pie. Labor's share of the GDP has de-

clined from 53 percent in 1990 to 39.7 percent in 2007 (Li 2007). This stands in stark contrast to most other countries, where labor's share of GDP usually ranges from 60 to 80 percent (Li 2007). This is possible because China's market economy has unique features that make it different from Western capitalism and different from capitalism in East Asia. One of the unique features of "capitalism with Chinese characteristics" is the "grabbing hand of the state," which works with capital to disenfranchise both peasants and workers (Y. Huang 2008, 283). One way that this happens is by spatially merging and separating production, daily reproduction and social reproduction of labor in ways that create precarious workers both on and off the jobsite and lower the overall costs of labor.

China's entrance into the global economy and the emergence of a new labor regime has included a protracted process of unmaking the "old" industrial working class while simultaneously making a new industrial working class (Lee 2007). The old industrial working class, shaped during the Maoist period, worked under a labor regime characterized by a socialist social compact anchored by the *danwei* system. In this labor regime, production and social reproduction of labor were merged as state-owned enterprises not only provided jobs but also meted out housing, health care, education, retirement, and access to cultural events. During the period of economic restructuring, which peaked between 1995 and 2001, employment in state-owned enterprises dropped from 113 million to 67 million (Giles, Park, and Cai 2006). Those who remain employed face precarity as their labor has become commodified through a smashing of the "iron rice bowl" and the separation of production from social reproduction of labor. Their employment is now girded by new labor law based on "the market-oriented, voluntaristic and individualistic 'labor contract'" (Friedman and Lee 2010, 509).

At the same time, a new industrial working class and an associated labor regime are emerging as the combination of global capitalism and altered legacies of socialism draws peasants from the fields into the factories and commodifies their labor under a dormitory labor system operating within this new legal labor regime.<sup>20</sup> The dormitory labor system produces a large permanently young, predominately female, temporary workforce that feeds the export-oriented manufacturing industry in South China (Pun 2007). Production and social reproduction are spatially configured quite differently from the old state-owned enterprise sector. In this sector, the state is also a central actor as production and social reproduction are *spatially* separated through

institutions such as the *hukou* system, under which most peasants who move to the cities become temporary migrant workers. These temporary migrants work in the cities (production), but their access to social services, welfare, and public goods remains tied to their hometowns (social reproduction).

On another level, employers are central actors as they (re)structure employment to merge and/or to reconfigure production and daily reproduction under the dormitory labor regime in ways that benefit capital. This is done by cramming dozens of workers into single rooms, opting for low-quality food prepared in vast quantities, and eliminating the need for transportation. These arrangements also allow employers to extend their control over work and free time, which increases exploitation and working time and facilitates just-in-time flexible production practices (Pun and Smith 2007). The dormitory system, in conjunction with state policies, such as those mentioned above, shifts social reproductive costs back to rural areas. This is accomplished by hiring and housing only young single women, or individuals, rather than families.<sup>21</sup> In many cases, these arrangements require women to return to their hometown to marry and have children, and then, if they resume work, their children must be left behind to be cared for by relatives or grandparents (Murphy 2002). In creating these new industrial workers, one process spatially merges production and daily reproduction, and the second spatially separates production and social reproduction of labor. Taken together, they lower the daily costs of labor reproduction and eliminate the need for a wage that can reproduce labor.

The concept of *employment configuration* deepens our understanding of China's emerging labor regime by expanding beyond factory workers to include informal workers in the analysis. These informal workers are not toiling under a disintegrating socialist social compact or under the newly emerging legal regime accompanied by a dormitory labor system. Informal workers face a different set of constraints, and as the three employment configurations outlined in this book capture, there are multiple ways that production, daily reproduction, and generational or social reproduction are merged or reconfigured.

Mediated employment represents a gendered variant of the dormitory labor regime found in factories: one produces a cheap, predominately male, long-term but flexible workforce, and the other creates a young, predominately female, short-term flexible workforce. At the same time, both undermine families as they compel workers to migrate as "individuals" rather than as

members of families. The costs of generational social reproduction is pushed onto extended family and hometown communities as production, which occurs in the urban areas, is spatially separated from social reproduction, which is carried out in the rural areas, or is eliminated.

The second employment configuration, embedded employment, offers an example of how production and social reproduction of labor can be merged in a qualitatively different way. In this employment configuration, production and daily reproduction are separated, but for the most part, both production and social reproduction occur in the cities. Migrants working in embedded employment are dating, getting married, setting up homes, getting pregnant, having children and, in some cases even raising children and retiring in the cities. This is not to deny their tenuous existence, or that some aspects of social reproduction are still forced back to the rural areas. However, this spatial re-uniting of production and social production in the cities creates dense social networks and helps these migrant workers develop social capital in the cities. As a result, social networks play an important role in creating an informal safety net and shape work relationships as mechanisms that emanate out of these social networks regulate employment and control the labor process. In the third employment configuration, individualized employment, social reproduction is effectively eliminated and daily reproduction is precarious as workers just struggle to survive.

The concept of employment configurations also captures how China's emerging labor regime not only lowers labor costs through rearranging the relationship between production and social reproduction but also lowers costs through increasing the precariousness that workers face both on and off the job. The spatial (re)arrangements of production and social reproduction under each employment configuration influence how migrants are integrated into cities and reshape relationships with their hometowns. As a result, life in the cities is experienced differently for migrants depending on their employment configuration: those in mediated employment live in a city of walls; those working in embedded employment live in a city of villages; and those in individualized employment live in a "city of violence." It also changes their migratory patterns and relations with hometowns. Workers who live on job-sites year after year in a "city of walls" become disconnected from their hometowns but do not become integrated into the cities; workers who live in a "city of villages" become tenuous settlers because of their lack of rights; and workers who live in a "city of violence" tend to be highly mobile, "floating"

from city to city trying to evade trouble and find work. These different migratory patterns help explain why, in some cases, their connection to their hometown and the land continues to provide a kind of safety net, while in other cases, this link is more or less severed.

Finally, as we will see, the spatial merging and reconfigurations of production, daily reproduction, and social reproduction intensifies not only work and work control but also shapes conflict and protest among workers and between workers and employers.

### **Informal Workers, Class Politics, and Protest**

The third and final major finding of this study is that these informal workers, while constrained by their employment configuration, are not rendered powerless, unorganizable, or impotent in terms of protest. In fact, protests actions range from everyday acts of resistance to participation in organized protests and formal organizations. They vary in targets and strategies; some utilize authorized channels and engage in tolerated protest behavior, and others push the boundaries. These protests and struggles, which are part of the developing dynamics of class politics in China, can only be understood in the context of the changing spatial organization of production and social reproduction under globalization within this specific national context.

Scholars have used the concept of labor regime to link the regulation of labor and the social reproduction of labor and show how it influences the form of labor protest and struggle (Lee 200; Buroway 1985).<sup>22</sup> As a result, we know a good deal about class politics and protests among China's industrial workers, but we know much less about class politics and protest among informal workers in China. The "old" industrial workers created out of Mao's Communist Revolution engage in "protests of desperation" as the social compact underpinning the arrangements in their work and lives disintegrates (Solinger 1999; Hurst 2004; Lee 2007). At the same time, "new" industrial workers are created as peasants leave the fields and enter the factories. In the process of becoming workers and citizens of the city, they engage in "protests against discrimination," which have gained legitimacy through the new regulatory labor regime (Lee 2007). The variation in the form of protests among these workers is attributed to the different labor regimes, and spe-

cifically to the “diverse modes of state regulation of labor and the system of social provision outside of waged work” (12).

However, industrial factory workers, both old and new, represent only a relatively small segment of the overall working population, and even at their peak in the mid- to late 1990s, they represented less than 15 percent of all workers in China (Evans and Staveteig 2009).<sup>23</sup> In contrast, other segments of the working class, such as those in the service sector and informal sector, are much larger and growing faster. This book expands our understanding of China’s emerging labor regime by mapping out informal work and developing the concept of employment configuration, it then uses this conceptual map to help us understand struggles and protests by informal workers.

I use the concept of employment configuration instead of labor regime because it allows me to add a spatial analysis. The concept of employment configuration captures the diverse modes of regulation of informal work and how they are linked to different kinds of social provisions outside of waged work, but then nests this within a macro analysis of the production of urban space; and just as with formal work, it is then used to help us explain different kinds of protests. As such, protests among workers in mediated employment share similarities with migrant factory workers toiling under the dormitory labor regime; whereas protests among construction workers in embedded employment are more similarities with those of the laid-off factory workers in North China.

Protests among informal workers in mediated employment are somewhat similar to “protests of discrimination” by migrant factory workers described by Lee (2007), in that the main grievances are about wages and insurgent identities linked to exploitation and discrimination. At the same time, these workers in mediated employment are informal, without contracts or access to the law, so their protests do not include legal mobilization. They turn to collective protests which are different from factory workers in that they are not garnering structural power from their position in the economic system nor are they amassing associational power from an organizing into a union or labor organization. Instead, their protests take the form of “public dramas” which draw attention to their plight and gain support through claims-making that appeals to cultural values and moral norms, creating symbolic power.

In contrast, protests among informal workers in embedded employment are “protest of disruption” and in some ways look like “protests of desperation”

by factory workers in state-owned enterprises under the disappearing socialist contract (Lee 2007). In both cases, workers take to the streets and cause public disruptions that interrupt normal function of society. In both cases, their grievances are not related to their own work but rather are centered on issues of citizenship, broadly defined. However, an important difference is that the protests that these informal workers participate in are outside of the routinized contentious bargaining that has become a hallmark of China's authoritarianism (Chen 2011). For informal workers in embedded employment, their work and lives are intimately connected to both the city and their hometowns. Social reproduction of labor takes place not only in the city, where these workers live their lives, but in some ways it is also forced back to their hometowns, where their citizenship and social rights remain.<sup>24</sup> It is in this context that the contradictions of living in the city while lacking citizenship and the right to be a part of the city creates a tenuous existence which becomes salient and leads them to participate in "protests of disruption." Finally, in individualized employment, worker ties to family and community are severed, and both production and social reproduction are precarious. In these conditions, and in the face of a despotic labor regime, these workers still carry out everyday forms of resistance but rarely participate in collective action as workers or as citizens.<sup>25</sup>

This book also adds to our understanding of informal workers' resistance and class politics and protest by providing a case study of resistance among informal workers toiling under an authoritarian state where basic labor rights are not recognized. The few studies on organizing and protests among informal workers in China are pessimistic. Lee and Shen (2011) suggest that in China's political context, collaboration between informal migrant workers and nongovernmental organizations (NGOs) results in antisolidaristic tendencies rather than collective power and action. Pun and Lu (2010) examine collective action among construction workers and argue that the construction industry does not present a "normal" employment relationship because there is "no boss, no employer directly responsible for employment practices." As a result, "the exceptional practices involved in the rapidly changing construction industry induce angry, largely impotent collective actions by construction workers" (158). However, as Cho (2013) suggests in her study of laid-off workers, it may be helpful to move beyond defining worker resistance in term of class struggle based on the relation of production, and if we can do so, "what we witness in China is not the absence or incomplete-

ness of resistance but a different style of resistance" (6).<sup>26</sup> This is important given that informal workers in China, like in many other areas of the world, tend not to join unions or use the strike and traditional protest forms that are popular with the formal industrial working class.

There are multiple reasons why these workers, especially informal workers, do not join unions or participate in typical forms of labor protest. First, they are generally seen as weak and unorganizable, and their protests are deemed impotent. They are considered difficult to organize because they are not protected by labor laws. They are also poor, underprivileged, without clear or defined employers, and change jobs frequently (Jhabvala 2013). All these factors lead to workers who are "widely dispersed, disconnected, and unregulated," creating a fragmented and heterogeneous workforce that poses challenges to collective solidarity and organizing (K. M. Roberts 2002, 22). Furthermore, many informal workers feel that unions and other formal labor organizations are not a good fit because informal workers often lack the legal standing necessary to pursue legal action used by unions, and their needs differ from those of traditional workers (Jhabvala 2013; Wells and Jason 2010). Also, unions are often not serious about organizing informal workers, ignoring them or denying them a voice (Chinguno 2010; Liu 2010). As a result, informal workers do not turn to traditional mobilization strategies and institutions. In fact, Agarwala suggests that these traditional forms of organizing and protest are not widespread among informal or formal workers.

For decades, industrialized workers fought to enter into an institutional structure that provided some play for collective interests; this institutional structure formalized workers' identities and status through legislation designed to protect them against employer exploitation. Their efforts, while laudable, have affected only a minority of the world's workers. Now, due to the industrial restructuring of the 1980s and 1990s, even the small global share of formally protected workers is diminishing. These changes have brought scholarship of labor movements to a critical juncture by questioning traditional mobilization strategies and institutions that rely on formal state protections and employer accountability. (2008, 377)

In contrast to formal workers, informal workers create a wide range of organizations beyond traditional unions, including worker cooperatives such as those created by waste pickers in Brazil (Medina 2008); worker associations

such as the Self-Employed Workers Association (SEWA) organized by women in India (Kapoor 2007); worker centers like those established by day laborers in the United States (Fine 2006); and nontraditional unions such as the associated unions organized by street vendors in Mozambique (Schurman et al. 2013).

Informal workers are also more likely to target the state than employers (Chun 2009; Agarwala 2008), and although they struggle with class-based issues, they often make claims using the rhetoric of citizenship or human rights (Agarwala 2008; Milkman 2011). Finally, sometimes informal workers engage in individual or quiet collective acts of resistance (Tripp 1997; Cross 1998b; Whitson 2007), and at other times they turn to more dramatic forms of collective action (Kudva 2009; Bayat 1997; Milkman and Wong 2000). I argue that their struggles, protests, and organizing, far from being impotent or ineffective, play an important role in emerging class politics in China.

In sum, there are at least three important segments of China's emerging working class, each with unique characteristics. The factory workers in the Rustbelt are part of the working class but are not proletarians in the Marxian sense, in that they were simultaneously workers and owners of the means of production under the socialist system (Walder 1984). The migrants in the Sunbelt who work in factories owned by global capital do not yet constitute a class; instead, they are a class in the making (K. Chan and Ngai 2009). Finally, these informal workers are part of the precariat and should also be included in our analysis of China's emerging working class.

China's emerging labor regime represents a fragmented working class but that does not make it passive or impotent. While factory workers participate in protests of desperation and protests of discrimination, informal workers participate in protests using public dramas and protests of disruption. Although their protest and struggle differ from those of traditional workers, these informal workers challenge the power of global capital, confront state repression, and restore dignity to peasants finding their place in the urban economy. These struggles make their journeys out of the fields and into cities less fatalistic and earn them an important place in history.

## Outline of the Book

Chapter 2 presents important background information about China's *hukou* system, migration patterns, and construction industry. A brief overview of

the system, how it has changed, and what it looks like today is followed by a categorization of the types of migrants based on citizenship rights and a summary of the changes in migration laws and patterns over time. The chapter closes with a more detailed look at the construction industry and how its reorganization during the reform period allowed it to absorb a significant portion of the new migrant workforce.

Chapters 3, 4, and 5 use empirical data to describe the three employment configurations that characterize informal work in the construction industry. Each chapter introduces the employment configuration, defines the labor market (pathway into employment) and identifies the main mechanisms of regulation. The chapters then describe the links between patterns of entrance into employment and how employers regulate their labor. These chapters also show how employment configurations shape migrant workers' spatial integration into the cities and their migratory patterns. Chapter 3 details *mediated employment*, the contracted-labor system on which it is based, and the intricate relationship between this employment configuration and the rural-urban divide. Chapter 4 outlines *embedded employment* with a focus on the different kinds of social networks that shape this pathway into employment and related mechanisms regulating this employment such as kinship obligation and bounded solidarity. Chapter 5 presents *individualized employment*, showing that it is the most exploitative form of employment, in many ways similar to unfree labor. This employment configuration is characterized by high rates of nonpayment of wages and the use of violence or threat of violence to regulate employment.

Chapter 6 looks at how these informal workers organize and protest despite the fact that they are often considered unorganizable. It shows how historical contingency alongside specific employment configurations shape protests, explaining why organizing and protest activities take the form of daily collective resistance punctuated by explosive collective action. It does this by presenting and analyzing some of the more salient issues for informal workers in construction, such as nonpayment of wages (wage theft) and right to livelihood; the former is usually considered a workers' issue, and the latter is often defined as a citizenship issue. However, these lines are blurred among informal workers for whom work and living spaces are merged. The production of space and the organization of both production and social reproduction structure the politics of informal employment.

The closing chapter compares the contours and content of precarious work and precarious existence across the three employment configurations. It

considers how these configurations compare to notable employment arrangements in different places and industries across the globe. The chapter concludes by exploring how protests among informal workers are similar to and different from protests among other kinds of workers. These informal workers—who represent a large segment of the emerging workforce—do not fit the traditional model of an industrial wage worker and are not being incorporated into a new legal framework under China’s decentralized legal-authoritarian regime. This may lead some to consider this segment of China’s new proletariat as the “precarariat,” an emergent social force based on vulnerability, insecurity, and uncertainty (Standing 2011). However, this precarious informal workforce is not a “new class” in that it was also a prevalent segment of the working class in China before the Communist revolution. It has reemerged as a central component of China’s economic success, and in turn, an important source of labor resistance.

## Chapter 2

# THE *HUKOU* SYSTEM, MIGRATION, AND THE CONSTRUCTION INDUSTRY

The monumental rise of migrant labor in China is shaped by China's *hukou* system, which operates as an internal passport system that links citizenship rights and welfare benefits to birthplace (Solinger 1999; Chan and Zhang 1999). During Mao's time, the system assigned three identifiers to every citizen at birth: (1) *hukou* status as agricultural or nonagricultural; (2) a home place designated as rural or urban; and (3) an identification number. *Hukou* status and home place both are inherited from one's parents. For example, if a child is born in Beijing, but her parents' *hukou* registration is in Shandong, the child's *hukou* registration will also be in Shandong. Similarly, if the parent's *hukou* status is agricultural, the child's status will be agricultural.<sup>1</sup> Citizenship rights, including access to social welfare benefits, were based on status and linked to place of registration; however, over time, access to rights under China's *hukou* system has become varied and complex.

The *hukou* system is a central institution shaping Chinese society. It is "among the oldest, longest-lasting political institutions dating back 25 centuries" (FL. Wang 2005). Contradictions and complexities are an artifact of

its long history. During different historical periods, the *hukou* system has been used for economic planning and resource allocation, central planning, taxation, control, mobility restriction, discipline, population control, and land policy. The system has followed maternal lines at some times and paternal lines at others. In some periods, the *hukou* system was disassociated from birthplace and instead linked with current residence.

The *hukou* system took on the form of modern legislation during the Kuomintang (KMT) government of the early twentieth century (FL Wang 2005) and was solidified during the Maoist era under the Communist Party (CCP). The CCP had three main goals in implementing and modifying the *hukou* system. First, to root out state enemies, the *hukou* system included a special *hukou* class for those suspected of disloyalty, allowing authorities to keep track of these people. Second, the *hukou* system played a major role in the implementation of collectivization through food rationing and the subsidy system put into place in the mid-1950s. The CCP linked *hukou* registration to the distribution of public goods and social services including housing, child care, schooling, and medical care (Feng 1997). These were also linked to the state labor bureau's system for assigning employment positions (Guang 2001). Third, the *hukou* system limited and controlled the movement of people. Despite significant disparities in the level and quality of social services and employment opportunities between rural and urban areas, individuals had few opportunities for physical relocation apart from state-directed movement (Cheng and Selden 1994).

All of these aspects of the *hukou* system contributed to the emergence of a central feature of life in China during the Maoist era: China's bifurcated class society across the rural/urban divide. As one scholar notes: "Household registration, at the core of a whole set of institutional mechanisms controlling food, housing, work and travel, enabled a differential treatment of people according to whether their place of birth and residence was rural or urban. From then on peasants were treated as second-class citizens, despite the Maoist rhetoric on peasant values" (Florence 2004, 43).

The main mechanism through which this differential treatment occurs is government control over and redistribution of resources. The CCP consistently allocates more and better resources to urban areas (Cheng and Selden 1994). As a result, urban residents have access to higher-quality schools, health care, jobs, and food. They also have access to better infrastructure such as public transportation, roads, sports and entertainment facilities, airports,

water and sewage systems, and electricity. In Maoist China, the *hukou* policy firmly tied people and citizenship rights to place, so people were born into their “class” (Naughton 2007). However, the economic reforms that began in 1978 changed the *hukou* system and ushered in a new era.

One of the earliest and most important changes of the reform period was the adoption of the Household Contract Responsibility (HCR) system, which rearranged agricultural production and allowed peasants to produce for profit.<sup>2</sup> Peasants had been producing under the commune system, which tied their labor to the land, and production was governed by a quota system. This changed under the HCR system such that peasants still had a small quota to fill, but most of their production was now for the market. This new system untied labor from land, giving peasants the freedom to profit from their own labor (X. Wu 2005). These changes created surplus labor in the rural areas, where 85 percent of the population resided, opening the possibility for new migration flows sanctioned by the government through a combination of three laws implemented in 1985. First, new regulations permitted farmers to move to local towns to start businesses and issued them “self-supplied food grain” *hukous*. Second, the government issued all citizens identity cards (IDC) and allowed them to be used as proof of identification (in lieu of the *hukou* passbook issued to each household) (Yusuf and Saich 2008). Finally, the CCP created a new *hukou* status by allowing cities to issue Certificates of Temporary Residence (*zanzhuzheng*) to peasants who entered the city for work.<sup>3</sup> Temporary residence status is granted for one year, after which it must be renewed (Chan and Zhang 1999). Taken together, these reforms along with other changes created the foundation for massive migration within the confines of a reformed *hukou* system. Migration flourished, growing from less than 30 million migrant workers in 1980 to about 80 million in 1990 (Liang and Ma 2004) to more than 120 million in 2004, reaching approximately 262 million workers by 2012 (National Bureau of Statistics of China 2012a).

The purpose of the *hukou* system shifted during the reform period.<sup>4</sup> It is still used to monitor and manage the movement of people (Chan and Zhang 1999) and as a tool of discipline and control (He 2003; FL. Wang 2004). However, it is also used by the state to regulate the economy in new ways (F. Cai, Du, and Wang 2003). Furthermore, as the system has evolved it now maintains and perpetuates the rural/urban economic disparities created under the Maoist-era planned economy by creating a segmented urban labor market made up of privileged urban citizens and disadvantaged temporary

migrant labor (Solinger 1999). As Chan (2009, 204) points out: “What is unique about migration in China is that the two aspects of internal migration (movement and citizenship) can be totally disparate; i.e., one can move to a new place (for example, because of a job change) but can be permanently barred access to community-membership-based services and welfare.”

*Hukou* reforms have allowed peasants to migrate into cities while denying them access to social welfare such as education, health care, and housing subsidies. Temporary residents are not granted urban citizenship, nor are their children, making it impossible to put down “roots” in the cities. The end result is a large pool of cheap, temporary, flexible labor that is an important engine of China’s economic growth.

Today, the *hukou* system stands as a strong legitimate institution, though it continues to undergo reforms that increase its complexity. Specifically, the *hukou* is becoming localized, which means that local governments are gaining the power to decide what kind of *hukou* to grant migrants, which criteria to use to regulate migration, and how many migrants to allow into their jurisdiction (Chan and Buckingham 2008). Shifts in national and local regulations have created internal contradictions in the policies and practices that define the relationship between migrants and the state. These contradictions are part of what makes *hukou* an enduring institution by creating uncertainty in current practices while opening opportunity for ongoing change.

## Migrants and Citizenship Rights

*Hukou* reform created a large new segment of the working class known as “peasant workers” or “migrant workers.”<sup>5</sup> In 2009, the government estimated the total number of migrants to be approximately 230 million, or between 15 and 17 percent of China’s population. More than half (145 million) are interprovincial migrants, meaning they left their home province (NBSC 2009).<sup>6</sup> These migrants are concentrated in larger cities, especially those on the East Coast. In Beijing, migrants are estimated to represent about a fourth of the city’s population, and cities in Guangdong province, such as Shenzhen, often have migrant populations that outnumber locals (Y. Wang 2005). However, not all migrants are the same.

A person becomes a migrant when he/she leaves the place where he/she is registered under the *hukou* system. As a result, scholars often discuss two

broad categories of migrant workers: *hukou* and non-*hukou* migrants (K. Chan, Liu, and Yang 1999). Migrants who formally transfer their local residency are *hukou* migrants; those who do not receive formal residency in the host community are called non-*hukou* migrants.<sup>7</sup> For this study, *hukou* migrants are called permanent migrants, and non-*hukou* migrants are divided into two categories based on citizenship rights: special migrants and temporary migrants. In addition, the category of temporary migrants includes registered and unregistered migrants (see table 2.1 for a summary).

It is difficult to estimate number of migrants in each category or even the total number of migrants in China. The estimates are problematic for several reasons. First, the definition of migrant varies from study to study. Second, surveys often do not include migrants who have been in their host location for less than six months. Third, sampling procedures that miss unregistered migrants may also result in the underestimation of the overall migrant population and of specific subgroups. Fourth, migration policy is dynamic, so new statuses for migrants are constantly emerging.

The first type of migrant, permanent migrants, move into the city and change both their place of registration and, if still in existence, their *hukou* status (from agricultural to nonagricultural).<sup>8</sup> This group is regulated by policies dictating requirements for changing one's status and is subject to quotas. The most common pathways to a status change are through state-owned enterprise recruitment, attending a college or university, or promotions within

Table 2.1. Migrants by types and population estimates

Types of migrant	Estimated population of migrant group
Permanent migrants	4–10 percent of total migrant population (estimated for 1990s). Roughly 20 million in 2007 without much change across time. (K. Chan 2011)
Special ( <i>hukou</i> ) migrants	No good estimates because issued at local level. Probably no more than 10 percent of migrant population and most likely much less but growing.
Temporary registered	114–28 million in 2006. (K. Chan 2011)
Temporary unregistered	12% of total urban population and up to 50% of population in larger cities (estimates based on 2004 [and later] statistics). (FL. Wang 2005; Cooke 2008; P. Huang 2009)
Total migrant workers	262 million (2012), 230 million (NBSC 2009)