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Rethinking Socialism and Reform in China

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Mapping China

Peasants, Migrant Workers and Informal Labor

Edited by

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Series Foreword

The history of the People's Republic of China since its founding in 1949 can be roughly divided into two halves. The first three decades witnessed the country's transition to, and experiment of, socialism under Mao through collectivization in agriculture, nationalization of industry and commerce, and the creation of a planned economy, and through successive political movements that surged in the Anti-Rightist campaign in 1957, the Socialist Education in the early 1960s, and the Cultural Revolution in the late 1960s. Since Deng Xiaoping established himself as the paramount leader of the Chinese Communist Party (CCP) around 1980, China has undergone waves of economic reforms, ranging from implementing the Household Responsibility System in agriculture to establishing Special Economic Zones, encouraging direct foreign investments and joint ventures, devolving economic planning power to local authorities and enterprises, experimenting various reforms to incentivize the management of state-owned enterprises (SOE), and finally corporatizing and privatizing the SOEs in the late 1990s and early 2000s. Politically, the reform era also saw significant changes in the inner workings of the party-state, most significantly the introduction of collective leadership and fixed tenure of top leaders, and the establishment of a legal system to accommodate the increasingly sophisticated economy and society, while the CCP strived to retain control of the entire political system.

Chinese intellectuals' reflections on the history and legacies of the Maoist era and their reactions to post-Mao reforms varied over time. In the 1980s, a "reform consensus" (*gaige gongshi* 改革共识) prevailed among them as well as the general public, who, having witnessed years of chaos and stagnation in the standard of living under Maoism, generally embraced the new economic policies that promised to deliver prosperity; they also welcomed the innovative measures in social, cultural, and political lives that allowed room for personal choice, despite the party-state's firm rejection to any attempt at further liberalization that would undermine its legitimacy and viability. This consensus, however, soon gave way to a profound divide among the intellectuals in the 1990s and thereafter, as the reforms caused a myriad of problems, most strikingly the massive unemployment of SOE workers, polarization in wealth distribution, widening of regional gaps in development, and rampant corruption of government officials at all levels. Instead of a "complete refutation" (*quanmian fouding* 全面否定) of the Cultural Revolution or any of the Maoist legacies associated with it, once the precondition for legitimating the reform initiatives in the 1980s, the so-called "New Lefts" (*xin zuopai* 新左派) among the

intellectuals, committed to social justice and equity, often turned to the Mao era for inspiration in seeking solutions to the challenges that confronted the nation. In sharp contrast, liberal intellectuals called for further steps in privatizing the SOEs, integrating Chinese economy with the global market, establishing the rule of law, and making the decision-making process transparent and democratic as the true solutions to building a sustainable economy and sound political system. The result was a juxtaposition of Maoist socialism and post-Mao reform in the writings of the politically divided intellectuals, who either called for further steps of liberalization by rewriting the history of Maoist China in a completely dismissive tone or highlighted the downside and failures of the reforms by eulogizing the institutions and experiments of the Mao era.

Not all scholars in contemporary China, however, were convinced by the New Lefts' or liberals' thinking and readily took sides with either of them. Having lost interest in the ideologically driven writings on post-1949 China, the most innovative researchers in humanities and social sciences made efforts to rediscover the history of socialism and reform in China by shifting attention from macro political or economic systems to the operational realities of such systems at the micro level and investigating the everyday experiences of ordinary Chinese people who lived through the decades of political movements and economic reforms. Their findings shed light on not only how the reforms have made China depart from the Maoist past but also profound continuity between the two eras that accounted for both the successes and setbacks in the nation's quest for wealth and power.

Open Times (*Kaifang Shidai* 开放时代), an academic journal based in Guangzhou of southern China, plays a prominent role in this collective endeavor, by organizing thematic discussions on a wide array of topics spanning from the communist revolution before 1949 to the twenty-first century. The journal's commitment to "bridging the divide" (*fenlie de mihe* 分裂的弥合) among the intellectuals, its openness to different and contrasting opinions, its boldness in exploring sensitive and controversial issues in the history of socialism and reform, and its adherence to empirical strength and academic rigor in making arguments, have made *Open Times* the most popular venue for scholars in different fields to share their findings with the public. This series, a collaboration between *Open Times* and Brill, puts together the best articles, in English translation, that have been published by the journal since 2003. Beginning in 2016, the series plans to publish two thematic volumes per year. The first two volumes are entitled "Mapping China: Peasants, Migrant Workers and Informal Labor" and "Media China." The ensuing volumes will cover the Communist revolution and land reform, state control and mobilization in

the 1950s, power relations in industrial enterprises and agricultural collectives in the Mao era, economic reform and social change, everyday governance and resistance, geopolitics and diplomacy, ethnicity and identity, women and gender, the Internet and mass media, cultural tradition and modernization, among other topics.

Li Huaiyin 李怀印
Wu Chongqing 吴重庆
Series Co-editors
April 19, 2016

Introduction

China's economy has been growing at an unprecedented speed, and its population urbanizing and relocating on a scale unseen in world history. How do we make sense of such rapid changes?

Today's China can still be defined as an agrarian country, given the proportion of its land devoted to farming and the size of its earthbound population. The root of the Chinese Communist Revolution lay precisely in the rural area, as manifested in its strategy of "using the countryside to encircle the cities." The socialist industrial system was also established on the basis of the contribution by many millions of peasants in Maoist China. And the economic successes of China's Reform and Opening (改革开放) have continued to rely on the rural population, including the 273 million *nongmingong* (农民工, conventionally translated as *migrant workers*) who are treated as cheap labor force in service to capitalist accumulation. Therefore, peasants, *nongmingong* and their informal labor have played a key role in China's rapid transformations.

China can only be best understood by doing away with any generalizing concepts and instead by looking into its regional differences and its history across the ages. In this way, we will be able to see how peasants in various regions encounter the crisis and decline of rural society under the influence of neo-liberal policies, and how they make use of the social resources at hand to maintain their livelihoods.

In terms of its geographic location and different levels of economic development, China can be divided into eastern, central, and western regions. *Nongmingong* mainly work in the highly industrialized and urbanized eastern coastal regions, where rural communities still maintain their basic social functions. However, most of these *nongmingong* come from the predominantly agrarian provinces in central China, where the rural areas are seriously "hollowing out" (空心化). Western China, where ethnic minorities are concentrated and where large amounts of state investment in poverty relief were spent, is not a major source of *nongmingong* out-migration.

The seven articles in this collection all deal with the topic of "peasants, *nongmingong*, and informal labor," but each has a different emphasis on one of these elements.

Gao Yuan (高原)'s article, "Small Farming in the Market Economy: a Study of a Village in Shandong, and its Theoretical Significance," examines the past 15 years of socioeconomic change in Gengdian (耿店) in eastern China's Shandong Province (山东省), focusing on its transition from household cotton farming to cooperative greenhouse vegetable production. Gao

addresses a shared assumption by Weber and Marx that peasant household production would be replaced by agricultural enterprises employing wage labor, and that traditional village society would dissolve and disappear. On the contrary, Gao argues that Gengdian's successful transition illustrates that peasant household production has grown stronger. Alongside this agricultural transition are profound *social* changes, including an increase in cooperative spirit and social cohesion. Among the reasons that the farmers of Gengdian have not left the village to work like those in central China, and that the village has not become hollowed out, in addition to its location in an economically developed region, a major reason is that its social foundation has not dissolved, so it can make effective use of the legacies of the Mao-era (毛泽东时代) collectivization to promote cooperative economic organization. At a time when Chinese academics have revived the discussion of the value of peasant economy, this case study reveals that the rural household economy is still viable, so villagers do not necessarily have to "abandon both agriculture and village" (离土离乡) and become *nongmingong* selling their labor-power.

Wu Chongqing (吴重庆)'s article, "'Beyond the Boundary': A Countermovement to the Hollowing-Out of Rural China," deals with Sun Village (孙村) in eastern China's Fujian Province (福建省). At a time when most villages in central China are becoming hollowed out, Sun Village reveals a countermovement to this trend. Many young and middle aged residents of the village have likewise "abandoned both agriculture and village" but not as *nongmingong*. Instead, they have utilized relationships based on kinship and locality, known as "same hometown, same trade" (同乡同业), to carry out jewelry refashioning in cities throughout China. They are also performing informal labor, but in contrast with capitalist economic activities, this is expressed as self-employed labor with "social economy" characteristics, in which economy is embedded in society. Under the influence of rural social relations, all kinds of production factors related to this jewelry refashioning industry have become concentrated in Sun Village, turning the cities into peripheral areas radiating out from there. The main reason this countermovement has managed to emerge in Sun Village is that lineage consciousness and networks are more developed in eastern coastal areas. Through "same hometown, same trade" economic activities that support rural social development, they can resist capitalist economy's encroachment.

Tan Tongxue (谭同学)'s article, "Social Ties and the Market: A Study of Digital Printing Industry from an Informal Economy Perspective," deals with villagers from Xinhua County (新化县) in central China's Hunan Province (湖南省), who "abandon both agriculture and village" to run print shops at uni-

versities throughout China. This industry is another typical example of "same hometown, same trade." Villagers from Xinhua carry out informal labor, but most of them are hired by bosses related by kinship or locality. These relations of kinship or locality do not conceal or transform the exploitative nature of wage relations and the cold-blooded competition among shops in the same industry, but rather become accomplices to capitalist economy. The difference from Sun Village lies in the lack of social capital and the lower level of lineage consciousness and networks in Xinghua's rural society, typical of central China. It is therefore hard for rural social networks to form mutually embedded relations with economic activities, since rural social forces are not strong enough to reign in the capitalist economy's negative effects on society, turning peasants into *nongmingong*.

These first three case studies illustrate various ways that people from a countryside riven by regional disparities make use of local social resources to seek out ways to making a living. In these models, we can still see traditional social networks, various degrees of ties based on kinship and locality, and the existence of humans as social groups. Among the 273 million *nongmingong* in China today, however, few of them make a living in one of these ways. Most of them are still deeply involved in the global capitalist system, becoming isolated, atomized and cheap labor-power on the "workshop of the world" production line. From what perspective should we take stock of these *nongmingong*, floating from city to city, but being riveted like so many screws to capital's rapidly-turning assembly line?

In the Mao era, when class was eliminated as an integrated whole, *class* became a political keyword, with "class struggle" as the main means for social mobilization and consolidation. In the post-Mao era, however, the gap between rich and poor has grown; society has become polarized; capital and the state have formed alliances; industrial conflicts have become increasingly common and fierce; elite classes have emerged alongside the formation of the biggest industrial working class in the "workshop of the world." In this context, class discourse has become a political taboo, and mainstream ideology advocates "getting rid of class." In contemporary Chinese "political correctness," one may only speak of "social strata" rather than "class."

Pun Ngai (潘毅)'s article, "Discursive Dyslexia and the Articulation of Class: A Theoretical Perspective on China's Young Female Migrant Workers (*Dagongmei*)," is among the first attempts by Chinese scholars researching *nongmingong* to reviving a class perspective. Pun argues that in China's violent society during the era of globalization, *class* is no longer an empty sign, but it is continually restructuring itself, and *nongmingong* are quickly forming into a

new type of laboring subject that she calls the *dagong* (打工) class.[1] *Dagongmei* (打工妹, female *nongmingong*) have fought against the capital and patriarchy through a series of collective actions, including resistance in labor and everyday life, and not simply through class struggle in the conventional sense.

The other article by Pun Ngai, co-written with Lu Huilin (卢晖临) and Zhang Huipeng (张慧鹏), is titled "The Class Formation: Control of Capital and Collective Resistance of Chinese Construction Workers." China is not only a "workshop of the world," but also a vast construction site of the world. In China's large cities, 20% of *nongmingong* (between forty and fifty million) are construction workers, who labor in the mushrooming construction sites. Construction sites are unique workplaces: the construction industry in today's China has developed multiple layers of sub-contracting in its employment system, creating an informality and lack of transparency in labor relations. Construction workers are also unique among *nongmingong* in that they are almost all middle-aged men, brought into the city by *baogongtou* (包工头, informal labor sub-contractors) who are relatives or acquaintances from their own or neighboring villages. On the construction site they are directly managed by the *baogongtou*, who are also responsible for paying the workers. This intertwining of labor and personal relations often leads workers to perceive their labor relations in a personalistic manner, and the subcontracting system means that when workers fail to receive their wages, they do not know who to blame. They thus turn to "the state," but the alliance between capital and the state gradually deepens the workers' awareness of the system. Through repeated efforts at rights-defense, a new type of working class achieves its difficult birth.

Wang Jianhua (汪建华)'s article, "Internet Mobilizing and Workers' Collective Resistance at OEM Factories," vividly describes a strike at a Honda automobile parts plant in the Pearl River Delta (珠三角), an important base of China's "workshop of the world." China's second and third generations of *nongmingong* are younger and better educated, and when they are not working, they have grown accustomed to living in cyberspace rather than merely using it. For the new generation *nongmingong*, the development of social networks is not limited to their roommates, classmates and *laoxiang* (老乡, people from the same native place), but is defined by the cellphone internet. Under conditions lacking effective labor organizations and class discourse,

1 Translator's note: In the 1990s, *dagong* referred specifically to informal wage labor in the private sector, performed by *nongmingong*, in contrast to *gongren* (工人, "workers") and "working class," associated with urbanites working in state-owned or collective enterprises. Since the 2000s, these two terms have tended to be used interchangeably.

the Internet has become an important resource for developing workers' awareness and feelings, and for organizing mobilization (including the mobilization of external forces). The emergence of online mobilization has transformed the scale, scope, forms, strength, effects and demands of strikes, but so far this perspective has been missing from labor protest studies.

Finally, let us return to the source of China's *nongmingong*, their villages, and observe the effects of the vast outflow of young people on rural society. My own conclusion is that this has already transformed rural China, especially the central regions, from a "society of acquaintances" to a "subjectless society of acquaintances." In a situation where young and middle-aged people are absent from the village for most of the year, in contrast with a traditional "society of acquaintances" characterized by social control through gossip, the value of "face," and the accumulation of social capital, this new "subjectless society of acquaintances" is characterized by gossip's loss of effectiveness, the devaluation of "face," and the dissipation of social capital.

The last piece in this collection, Tan Shen (谭深)'s "The Impacts of Labor Migration on Rural Poverty and Inequality," studies the outflow of *nongmingong*. Researching on women, children and the elderly at the levels of household and society, Tan analyzes how population movement affects these different groups and levels of society in the countryside, and influences poverty and inequality. Over the past thirty-some years of large-scale population movement from rural China, inequality has not only failed to disappear, but has increased. Poor households and the elderly have become increasingly marginalized. Today, two common characteristics of rural China are, therefore, hollowing-out and stratification. The combination of these two characteristics often make disadvantaged groups feel helpless, even leading to a crisis of the meaning of life for them.

All seven of these articles come from the journal *Open Times* (开放时代), which could be considered a window into contemporary Chinese academic trends. It is thus also necessary to introduce this journal.

Open Times was founded in January 1989 in Guangzhou (广州), the largest city in southern China. It is published by the Guangzhou Academy of Social Sciences (广州社科院). Its mission is "to connect academia with society" (以学术关怀社会). It actively promotes interdisciplinary research on contemporary China by local and overseas scholars from the humanities and social sciences with a historical perspective. Philip Huang (黄宗智) regards *Open Times* as China's best comprehensive social science journal at present. On June 15, 2013, a conference called "China's 'Present' and the Humanities: A Discussion of *Open Times*" was held at the University of Tokyo by the university's Center for Philosophy in combination with a group of Japanese China scholars. Professor

Murata Yujiro of University of Tokyo said: "This is the first time in history that a conference has been organized at the University of Tokyo specifically to discuss a Chinese academic journal." According to Ishii Tsuyoshi, the organizer of the conference, "With its high academic standards, *Open Times* has consistently provided readers with effective perspectives for profound reflection on contemporary cultural life."

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December 24, 2015

CHAPTER 1

Small Farming in the Market Economy: A Study of a Village in Shandong, and Its Theoretical Significance*

Gao Yuan

1 Classic Theory and a Different Reality

Max Weber, as one of the great pioneers of the social sciences, pondered long and hard over the future prospects of the countryside within the context of capitalist economic expansion. Firstly, Weber came to realize that the traditional countryside and modern capitalism form two entirely different development trends. This is because each adheres to its own very different economic logic: the economic order of the traditional countryside is concerned with how, on a given piece of land, to support the greatest possible number of people, whilst the capitalist economic order is concerned with how, with this given piece of land, to use the smallest amount of labor power to provide the greatest volume of agricultural produce for the market (Weber, 1997 [1906]). In this respect, Weber's thinking is similar to that of contemporary economists. Weber goes further to locate the future prospects of the traditional countryside within his overall understanding of "modern Western civilization." The basis of this type of modernity is in rational ethics, rational economic operation, rational bureaucratic administration, and rational legal authority (Weber, 2004a; 2004b: 448–460; 2007: 212–217). Weber argued that the village collective is built upon and held together by "traditional factors" like kinship ties, clans,

* (This article was first published in Chinese in *Open Times*, 2011, No. 12)
This article has benefited greatly from a series of discussions between the author and Professor Philip C. C. Huang. Professor Huang also painstakingly read, critiqued, and gave his suggestions on the article. For this, I would like to take the opportunity here to express the sincerest of thanks to him. I also wish to extend thanks to teachers and friends, including Chen Chuanbo, Tong Zhihui, Yu Shengfeng, Liu Xueting, Chen Wenling, and Huang Jialiang, for their suggestions. Thanks to the local people of Gengdian, and comrades from the management office of the Liaocheng Municipal Department for Agriculture, the Chiping County, Jiazhai Township Party Committee, and government, including Geng Zunzhu, Geng Fuzhong, Geng Chuanxi, Geng Qingxiang, Geng Zunhong, Zhao Baodong, Geng Yiqing, and Shang Siquan, for their assistance and support during the fieldwork upon which this study is based.

or historically formed neighbourhood ties. In terms of ethics, economic orientation, the style of rule (*herrschaft*) and the order of social groupings, the "traditional" nature of the countryside is completely at odds with the rationality of the "modern" (Weber, 2004b: 131–136, 151–153; 2004c: 262–265; 2007). As we see the full emergence of rationalized society's intense need for expansion and competitive advantage, the basis of rural society—the main objective of which is to satisfy the needs of the collective with household agricultural business, run by its own members as the labor subjects—will be supplanted. In its place, the agricultural enterprise emerges, the aim of which is to seek constant profit, hire free labor power, and firmly orient itself towards the market. With the decline of the household agricultural business, the village, as a collective in the traditional sense, also gradually crumbles and withers away (Weber, 1997 [1906]; 1997 [1895]).

On the fate of the countryside, Marx's thinking was similar to that of Weber. However, the thought process by which Marx arrived at his verdict was somewhat different. Whilst Weber saw capitalism as a concentrated manifestation of rationalization, Marx saw capitalism as a manifestation of the alienation of humanity (Löwith, 1993). This alienation was reflected in humanity's separation from the tools of its own labor, and man (or woman) himself/herself becomes the tool (Marx, 2000, [1844]: 50–64). As such, Marx views capitalism as the following kind of utterly alienated social state: society is split into two antithetical classes, the bourgeoisie and the proletariat; the former owns the means of production, whilst the latter does not. Instead, the proletariat becomes instrumental hired laborer, serving capitalist production. During the process of the changes in society predicted in Marx's history of philosophy, as small-scale proprietors, the peasantry were destined to become separated, either by rising up to become part of the bourgeoisie or sinking down to become part of the proletariat stripped of the means of production. Marx left no place for any form of small-scale proprietor at the destination of these historical social transformations. Be it the peasant, the urban small-scale merchant, or the craftsman working with his hands, Marx saw the decline of all of these classes as a historical inevitability (Marx, 1983: 771–791).

The historical, sociological observations of Marx and Weber on the transformation of the countryside have provided us with rich food for thought in developing our own understanding of the changes taking place in rural China. However, it cannot remain unsaid that their verdicts on the fate of the countryside are deeply reliant upon the history of Western social transformation. Thus the significance of the theories of Marx and Weber is not in whatever standard beliefs they conjured up about the prospects for modernity or social

progress—these are often a theoretical refinement of Western history; the value of their theories is in the very fact that they provide us with perspectives for our observations that help develop a deep understanding of the social states of mankind. For example, Weber highlighted the organizational form, method of control and economic ethics of social groups, whilst Marx emphasized class divisions. With these perspectives, not only are we able to come to form an understanding of the characteristics of the evolution of Western societies—this was the empirical basis upon which the theories of Marx and Weber were formed—but we can also observe the transformation of Chinese society. It is quite probable that the latter is something of a departure from the experience of the West.

The external environment faced by the Chinese countryside at present is very similar to that of Western Europe during the time of Marx and Weber. The market economy and industrial civilization continue to expand; business practices characterized with a strong market orientation and profit-seeking motivation have shaped the mainstream economic logic. Within this historical context, what changes have occurred in the Chinese countryside? Is the countryside developing along the same lines set out by Marx and Weber? These are questions that should not be ignored.

China has a vast countryside, and an enormous number of people living in rural areas. There is huge disparity between the different regions. It would be difficult to cover all of the various types of change occurring in the countryside within one study. One feasible method is to select certain villages and undertake social research from a micro-level perspective in the pursuit of those phenomena that are at odds with the classic theories. In this way, the tensions between theory and practice will become evident, and we will move a little closer towards understanding the reality of rural society.[1] This is the line of thinking adopted in the research upon which this article is based, and the research focuses its investigation on one specific village. The village in question lies in the northwest of Shandong Province (山东省), and it is named Gengdian (耿店).[2] Beginning in March 2010, in cooperation with the local agricultural administrative authorities, I began to undertake a series of fieldwork in

1 The empirically based content and data covered in both this and the following sections come from the fieldwork carried out by me in cooperation with the management office of Liaocheng Municipal Department for Agriculture, and also from interviews with villagers from Gengdian, conducted over the telephone.

2 Gengdian belongs to Jiazhai Township, in Chiping County, Liaocheng City, Shandong Province. As of recently, there are 178 households within this village, and the population is

Gengdian. The research finds that firstly the rapid expansion of the market economy has had a profound effect on Gengdian since the start of China's Reform and Opening (改革开放). Transformation of the structure of agricultural production began in Gengdian during the mid 1990s. Today, the majority of villagers have already shifted from growing traditional crops like grains and cotton to instead cultivating vegetables in greenhouse conditions under huge canopies. Vegetables grown under these large canopies are a highly commercialized form of agricultural produce. The villagers' aim in producing vegetables is to sell for profit at market. Meanwhile, in order to produce their vegetables and maintain their greenhouses, the villagers need large amounts of different types of materials. The villagers are heavily reliant on the market in order to obtain these materials. Today, the villagers of Gengdian have already, to an unprecedented degree, become tied up in the market economy.

At the same time, there is a paradoxical phenomenon in Gengdian, which is worth giving thought to. In a departure from Marx's verdict, with the expansion of the market economy, the identity of the villagers as small-scale proprietors was strengthened, not weakened. The agricultural transformation from producing grains and cotton to producing vegetables in greenhouses brought a sharp increase in the income earned by villagers through labor and in the returns from each plot of land. The annual income they achieved by relying on their own allocated plot of land saw more substantive increases than at any time in the past. This bolstered the identity of these rural households as small-scale proprietors/petty bourgeoisie. Moreover, the transformation of agriculture in Gengdian was a common phenomenon amongst the villagers. By 2010, throughout the whole village, those rural households in possession of these large canopies stood at 95% of all households. Within the village itself, the agricultural transformation had not caused the broadening of disparities in wealth between the villagers or class divisions amongst them. Instead, it had brought about common increases in their incomes.

At the same time, at variance with Weber's thinking, small-scale agricultural production in Gengdian had not been replaced by agricultural enterprises using the free hiring of labor. The marketized production under canopies was still operated by households. Not only had the village as a whole failed to disintegrate, with loosened ties between households and villagers, but it was experiencing greater cohesion. The rural households in Gengdian were certainly not isolated individual operators with nothing to do with one another. Production using the large canopies was far more complicated than the traditional growing

741 people. Those of working age and capacity total 420 people. The village covers 1,800 *mu* of land (1 *mu* = 0.0667 hectares), amongst which 1,301 is arable land.

of crops like grains and cotton. The maintenance of the canopies and the management of vegetable crops required the use of various refined techniques. The vegetables could not be stockpiled, so the villagers needed a channel to quickly sell them on and required cold storage facilities to store up those vegetables that were difficult to sell. Then, the villagers needed a convenient way to get hold of seedlings. Thus the marketization of their agricultural activities prompted a greater need amongst the villagers for a force that could provide them with the services indispensable to undertake these kinds of operations. In Gengdian, the local cadre, as the political heart of the village, bore the task of providing this force. The structure of village politics formed since the start of the Rural Reforms (农村改革) had begun to revolve around economic objectives and thus exceeded the traditional functions of administration. With an administrative system of village governance mainly based on the levying of taxes, the villagers felt only the control and demands of the village collective, whereas with village politics that centered on economic objectives, the villagers were gaining the services of the village collective. An increasing reliance on the services of the village collective actually transformed Gengdian into a more tightly knit community.

The existence of these paradoxical phenomena indicates a fundamental reality: the small-farming economy and the village society of Gengdian have their own logic. This logic cannot be bound into some a priori theoretical reasoning. In the following pages of this article, I will combine empirical evidence with a theoretical exploration, in an attempt to portray the internal development logic of small-scale farming and village society in Gengdian in the past fifteen years. On this basis, I will investigate the following question: if the development that has occurred in Gengdian was to become a kind of common prospect for China's small-scale farming, what kind of impact would this have on the national economy as a whole? Although a micro-level study of one village is certainly not adequate to cover the complete picture of China's countryside, through this research we are able to gain a glimpse of some issues and phenomena that are worth our consideration.

2 Agricultural Transformation in the Village

Agricultural transformation in Gengdian began in the mid-1990s. Prior to this, the whole village had always grown mostly wheat, corn and cotton. Between 1978 and 1984, the increased production and prices of these traditional crops of grains and cotton had brought a rapid rise in the villagers' incomes. However, after 1984, both the output and price of grains and cotton continually slumped,

and it was no longer possible for the villagers to rely upon these traditional crops to increase their incomes. This situation, in which all energy had been drained, leaving an inability to further increase income, was a common phenomenon throughout the whole of Liaocheng City (聊城市), including in Gengdian.

In 1996, the Jiazhai Township (贾寨乡) government to which Gengdian belongs demanded that the villages under its jurisdiction all made a strong push towards developing agriculture using these large canopies, adjusting the composition of an agricultural economy previously based on the cultivation of grains and cotton. In this way, they achieved increases in the income of farmers. In the year prior to this, one household belonging to Wangyaobao Village (王药包村) in Jiazhai, made a significant amount of money growing kidney beans in the greenhouse conditions of large canopies. At that time, the vegetable industry had witnessed growth, and demand had shot up. Half a kilo of these beans could be sold for as much as four *yuan* (元). The farmer from this household could make a gross income of over 7,000 *yuan* for one large canopy's worth of the beans. Jiazhai promoted the experience of this villager around the whole township.

With this as inspiration, the transformation of agriculture in Gengdian got fully underway. The township government called on the Gengdian village cadre to first take two of the threshing floors belonging to the collective to test things out by building canopies. These cadres led the way and mobilized ordinary villagers, so that together they managed to set up 26 large canopies. The 26 *mu* (亩) of land needed for these canopies were provided free of charge by the village collective. A cash stipend of 600 *yuan* was given for each of the canopies. This money came from the funds accumulated by the village collective. The first 26 canopies achieved great success, with one canopy, which took up one *mu* of land, making a gross income of 7,000–8,000 *yuan*, which was much higher than the income that could be made by cultivating one *mu* of grain and cotton.

In 1997, Jiazhai required that each of its villagers made further pushes to promote the use of these canopies. This time, Gengdian already had no collective land going spare that could be used. Demanding that the villagers built canopies on their own allocated plots of land would have been equivalent to making the villagers themselves bear all of the risk involved in the transformation of agriculture, thus reducing the willingness of villagers to build canopies. As such, the village adopted the following method: the village cadres would take the lead in organizing for 20% of the allocated land of each of the villagers, which altogether would add up to 160 *mu* for building canopies. Geng Zunzhu (耿遵珠), the current Secretary of the Village Party Branch

(村支书), was at that time just an ordinary villager himself. Looking back, he explained that although there had been some expressions of opposition from those villagers who did not want to construct the canopies, in the end, through the mobilization and hard work of the village cadres, this adjustment in land was completed. Since the beginning of the Household Contract System (家庭联产承包责任制), this was Gengdian's only ever large-scale land adjustment. After the land had been taken, the village cadres began a survey of this land, separating it off into smaller plots of land suitable for building the canopies. According to the order in which the villagers had signed up to build the canopies, each had their turn to be allocated a piece of land. Not only was the land for building the canopies not subject to agricultural tax, the *Santiwutong* (三提五统) system (a further form of tax for undertaking local development), and so on, but a subsidy of 600 *yuan* was given for each canopy built. These measures stimulated the enthusiasm of the villagers for building the canopies. Following this readjustment of the land, by 1999 the number of households in possession of canopies had reached 126, accounting for 71% of the whole households. From 1999 to the present, the number of canopies in Gengdian has continued to increase. The skills required for operating and using the canopies and the different variety of vegetables have achieved regeneration and change, and the income from cultivating vegetables in the canopies has constantly risen.

The greater context upon which the transformation of agriculture in Gengdian was reliant was the constant expansion of the market economy following the start of the Reform and Opening, and advances in China's economy overall.[3] During the reform years, common rises in the incomes of Chinese people prompted a transformation in the consumption of foodstuffs, which changes from a demand mainly for staple foods to that also for vegetables, meat products and other non-staple foods (Huang, 2007). Vegetables, the most important non-staple food in Chinese culinary tradition, were the most affected by the increased demand. The market orientation of agricultural produce prompted by the reforms meant that the increased demand for vegetables was reflected in the market price, producing a knock-on effect and encouraging the transformation of the composition of agricultural cultivation. To ordinary villagers and village cadres alike, the incentives were palpable. Also notably, right from the beginning of the agricultural transformation, the changes were not being carried out by isolated households, but instead they

3 The World Bank has released a special report discussing the development of the vegetable industry and the impact on the rural economy accompanying the trend for marketization of agricultural produce since the beginning of the reforms. See World Bank 2006.

were being given impetus by the village as a whole. In Gengdian, developing the canopies and adjusting the structure of agricultural cultivation was not simply a private matter. It was an expression of the public affairs of the village. As mentioned above, at the beginning of the development of canopies in Gengdian, the notable characteristics were collective mobilization, the planning for bringing village collective land together, and the measures taken to offer incentives.

This path to agricultural transformation, which had a strong collective flavor, is first and foremost related to the political tradition of Gengdian. Before the Rural Reforms, Gengdian was considered to be a relatively well-managed production brigade of a local Commune (公社). After the beginning of the implementation of the Household Contract System, Gengdian was still doing well—it always ranked in the top three in the annual evaluations of Guzhai Township. From 1999, it won a special award year in year out for ten consecutive years in Guzhai Township, and in 2009, it was commended by the municipal Party Committee Organization Department (组织部) as an advanced Party Branch (党支部) in Liaocheng. Within the context of this kind of political tradition, the group of village cadres, who enjoyed the trust of the villagers, had always effectively carried out governance in the village. At the same time, they had the capacity to use their own powers to intervene in economic matters and were not limited only to the administrative tasks set for them by the higher-level authorities, for instance, collecting taxes. In those villages that did not have a tradition of good governance, collecting tax was the routine work. And in those villages with weak basic-level organization, there is no way of carrying out even the most basic administrative tasks, let alone getting involved in collective economic matters.

Secondly, the path taken for the transformation of agriculture in Gengdian is also linked to the social structure and the character of the village itself. Gengdian is a village typical of northern China, with multiple family lineages, distinguishable by surname. Altogether there were nine different surnames in the village, of which Geng is one. Gengdian is not strongly influenced by overbearing clans. Moreover, in the eyes of the villagers, the township and village cadres, Gengdian is a really decent village. The villagers have good agricultural production habits, they like to work hard rather than fight, and they don't have factional or clan disputes. In this kind of village, collective action will not break out as a result of internal conflicts. The decent nature of Gengdian, which has often drawn praise, and the tradition of good governance that has always prevailed there, go hand in hand and compliment one another.

At the same time as these two factors were taking effect, there was an institutional basis for Gengdian to spread the use of canopies throughout the whole

village. This basis was the collective land system of ownership.[4] The Collective Land Ownership (集体土地所有制), from which the power to transfer land derived, made it possible for the village cadres to spread canopy production across the whole span of the village. At the same time, by transferring collective land, it was made possible for those households that built the large canopies to retain a plot of land to cultivate crops grown in open field whilst also producing greenhouse vegetables. In this way, the risk borne by the villagers in building the canopies was reduced.

The tradition of village governance, the social structure and character of the village, and the collective ownership system as the institutional basis—all these factors combined to shape the collective agricultural transformation of Gengdian. If it had not been for the collective transferring of land and the drawing up of preferential measures for all to lower the threshold to greenhouse production, then only a small number of villagers—the wealthiest, and therefore the most able to bear risk—would have dared to build the canopies. If this had been the case, then the benefits derived through the transformation of agriculture would only have been open to a small proportion of the people. The collective transformation of agriculture achieved in Gengdian, however, ensured that the vast majority of villagers were able to benefit.[5]

3 The Consolidation of Household-Farming

Following the transformation of agriculture, with the greenhouse model of vegetable cultivation, the total output and net returns achieved on each *mu* (亩) of land rose sharply. As such, the development of agriculture in Gengdian was mainly visible in rising output value as crops were changed, rather than through increases in the yield of any given crop. At the micro-level, this feature of the model helps to confirm the view, proposed by Professor Philip C. C. Huang (黄宗智) in his recent work *China's Hidden Agricultural Revolution* (中国的隐性农业革命), that the development of China's agriculture over the last 30 years has been "an agricultural revolution caused by changes in

4 Scholars have already published papers on the important effect of the collective ownership system on rural economic development. See Pei Xiaolin, 1999.

5 How to make the advantages of technological progress benefit the citizens of rural China, covering the greatest possible ground, is an important issue that began to draw the attention of Chinese sociologists as early as the 1930s and 1940s. See Fei Xiaotong, 2007a: 159–161, 166–172; 2007b: 237, 322–329.

consumption, reflected more in changes in the output value, and not in the changes in yield seen in traditional models" (Huang, 2010b; 2010c).

Through a study of the investments and production of farmers who were, at the same time, cultivating vegetables in the canopies and grain crops, we can clearly demonstrate the difference in the output value of the two different models for cultivation. Table 1.1 shows the the investment and production of three farmers in 2009 alternating crops of wheat and corn per *mu* of land. Table 1.2 gives the investment and production per *mu* of greenhouse vegetables. If we compare the second column of both Table 1.1 and Table 1.2, the output value of greenhouse vegetables per *mu* is far higher than that of the grain crops, the former reaching 6–8 times that of the latter. After deducting the investment for production to arrive at the net profit for each *mu* of land, the greenhouse vegetables still commanded 6–7 times that of grain crops.

The cultivation of grains and the production of vegetables are characteristically two very different agricultural business models. The former is a form of "involution" agriculture.[6] When it comes to contemporary China specifically, the implications of this are that in circumstances where there are many people to a small amount of land, there is a serious case of "concealed unemployment" on the farms of small-scale farmers cultivating grain crops. For labor working in the production of grains, the period of their employment throughout a whole year clearly does not allow them to reach a state of full employment (Huang, 2010b: 87–89). Taking as an example the alternation between wheat and corn in Gengdian, each year only fifteen workdays are required for each *mu* of land.[7] The laborers in Gengdian, on average, will each cultivate 3.1 *mu* of land.[8] If this was all used to grow wheat and corn, then in one year only forty-six and a half days of work would need to be invested. If we understand

6 Professor Philip C. C. Huang first put forward the notion of "involution" agriculture to analyze small farming in northern China in his book *Northern China's Small Farming Economy and Social Transformation*. This concept was further developed in his book *Chanjiang sanjiaozhou xiaonong jiating yu xiangcun fazhan* (*Yangtze River Delta Small Farming Households and Rural Development*). See Philip C. C. Huang 2000a and 2000b.

7 If the model of alternating between cereals and grains and cotton is adopted, the labor invested annually per *mu* of land would experience an increase, but would still be far from that of the labor investment for growing vegetables in the polytunnels. I carried out a study of Lihai Village (李海村) in northwest Shandong where the investment of labor per *mu* alternating wheat and cotton was an average of twenty-one workdays/year. See Gao Yuan, 2010.

8 This calculation is based on the total arable land of Gengdian Village, 1,301 *mu*, and the total number of laborers is four hundred and twenty.

full employment to be two hundred and sixty days per year,[9] then each laborer would be in a state of "hidden unemployment" for over two hundred days. This "hidden unemployment" is also an important reason for the vast number of rural laborers to flood to the cities to find work.

In contrast with involution farming, the greenhouse vegetables are a kind of "labor-capital, concentrated" farming (Huang, 2010b: 134, 143–145; Huang and Peng 2007). Firstly, after farmers become involved in greenhouse vegetable production, the investment of labor on their land is 5–7 times as much as what is needed to cultivate grains (the fifth columns of Table 1.1 and Table 1.2 show a detailed account of the volume of labor required per *mu* each year for each of the two different models). This greatly alleviates the phenomenon of hidden unemployment in grain and cereal production. By comparing column 6 in Table 1.1 and Table 1.2, we can see that at the same time as the investment of labor increases, the income from one workday per greenhouse vegetable producing is no lower than that of the wheat-corn crop rotation. Here, we can see that this kind of increase in labor investment is not an ineffective use of labor. The sharp increase in the period of employment throughout a whole year brings about a clear increase in the annual per capita income of rural labor. In addition to this, at the same time as the investment of labor is increased, the capital investment in greenhouse vegetable production is also more concentrated than that of the cultivation of grains. If a wheat-corn rotation is adopted, the annual investment per *mu* of land would be around 595 *yuan* (see Table 1.1, column 3); this can be compared with the investment for greenhouse vegetables, which reaches 4,600–6,000 *yuan* (see Table 1.2, column 3).

TABLE 1.1 *Gengdian Wheat-Corn Cultivation Model, Investment and Production* (yuan; *persons*)

Name of Villager	Income from Production	Investment in Production	Net Profit	Use of Labor per *mu* of land	Net Profit per Working Day
Geng Yiqing	1859	595	1264	15	84.27
Shang Siquan	1859	598	1261	15	84.07
Zhao Baodong	1859	591	1268	15	84.53

9 Here, 260 days is based on working five days per week, with 365 days in a year, but this does not take account of other holidays. Philip C.C. Huang came to 250 days in his own calculations (Huang, 2010b).

TABLE 1.2 *Gengdian Greenhouse Vegetable Cultivation Model, Investment and Production* (yuan; *persons*)

Name of Villager	Income from Production	Investment in Production	Net Profit	Use of Labor per *mu* of land	Income per Working Day
Geng Yiqing	14182	5625	8557	87.3	98.02
Shang Siquan	15323	5940	9383	101.6	92.35
Zhao Baodong	10657	4636	6417	76.3	84.10

Under the new cultivation model for producing greenhouse vegetables, the increase of net return per unit of land, directly increases the income of rural households relying on family run farms. This strengthens the identity of rural households as small-scale proprietors. As discussed above, the adoption of this new cultivation model was common in Gengdian: 95% of all rural households in the village had these large canopies. Thus, the strengthening of farmers' identity as small-scale proprietors was also common throughout the whole village.

A phenomenon that complemented the strengthening of farmers' identity as small-scale proprietors was that the rural household remained at the heart of operations. In a departure from the contentions of Marx and Weber, the replacement of household-run farming by modern capitalist agricultural enterprises has just not happened in Gengdian. We came to realize that an important reason drawn upon by Weber in his argument that small-scale household-run farms would be replaced by agricultural enterprises was that the economic logic of the former would be vanquished by that of the latter within the context of the market economy. That is, household-run farming is driven by its main objective to satisfy the needs of the collective, with its own members as the main labor force and the optimum arrangement for production being restricted by various traditional factors, whilst modern agricultural enterprises are driven by the aim of seeking uninterrupted profit by drawing on hired free laborers as the main source of labor power and allowing for the production factors internal to the enterprise to be combined in the most rational way. According to Weber, the latter would prevail over the former (Weber, 1997 [1906]).

The experience of Gengdian demonstrates a different kind of possibility: within the context of the market economy, the small-scale household-run business will continue to exist, whilst at the same time its internal economic

logic will be adjusted to suit the market economy. In Gengdian, the household production of vegetables has already become firmly market-oriented, and its main objective is to seek profit. This is already entirely different from the small-scale agricultural production undertaken to satisfy the most basic needs of the family. From this perspective, to a certain extent, the economic logic of household-run farming is already similar to the agricultural enterprise. At the same time, the cultivation of vegetables requires a large amount of complex and refined manual labor, and household farming is just right for providing this form of labor, which also strengthens the vitality of small-scale household farming within the market economy. Thus, in Gengdian, small-scale household farming does not run contrary to the market economy, but rather has come to *adapt* to the market economy. Many scholars have already provided us with analysis and concrete evidence of the changes in the economic logic of small-scale household farming within the market economy and its adaptation to fit the market (Chayanov, 1996 [1925]: 105–107; Huang, 2000a: 5–7; Huang, 2000b; Cao, 1996: 189–199). In fact, Weber himself once proposed that at the same time as large-scale agricultural enterprise was constantly developing in West Germany, subsistence farming remained predominant in southwest Germany, and the profits of the latter, within the environment of the market, remained somewhat substantial (Weber, 1997 [1906]).

However, small-scale farming still has its weaknesses. Firstly, liquidity and the reserves of capital of small farmers are severely limited. The operators of small-scale household farms commonly lack specialist and business know-how, as well as a broader business perspective. As such, when they partake in different aspects of concentrated capital, such as investment, the introduction of new techniques, opening up markets, and extending the agricultural production chain, household farmers do not have the same advantages as large-scale agricultural enterprises. Moreover, within the village, since land is scarce and a large number of the farms of small farmers are all right next to one another, it is very difficult for farmers to be at liberty to allocate land in the same way as an agricultural enterprise may be able to. This is certainly not unique to contemporary China with its implementation of the collective ownership system, and it is a common phenomenon amongst societies with developed small-scale farming, irrespective of whether or not the land is under private ownership.[10]

If small-scale farming is unable to overcome these shortcomings, then this form of farming will remain in a position of relative weakness. Within

10 See Zhao and Chen, 2006, 144–145.

the context of a constantly expanding market economy, whether this type of farming can continue to exist remains a pertinent question.

While transforming the economic logic by which it operates in order to adapt to the market economy, the small-scale farming of Gengdian, to a certain extent, has overcome the weaknesses that accompany this form of farming. In order to investigate how these weaknesses are being overcome, we need to step away from small farming itself, and further explore social change in the village. This points us towards the content to be discussed in the next section of this article.

4 Village Governance and the Trend for Greater Cooperation

As we have seen, following the agricultural transformation that occurred in Gengdian, small household farming was still at the heart of production in the village. Moreover, from the analysis above, we have already seen that although small-scale farms can adjust the economic logic by which they operate in order to adapt to the market economy, they continue to suffer from many inherent weaknesses. If we look specifically at Gengdian, after the traditional farming of grains and cotton was replaced by a new industry in greenhouse vegetable production, the farmers came up against many problems, which they found difficult to solve on their own. These problems included the introduction and replacement of different types of vegetables, improvements in the techniques used in greenhouse farming, the maintenance of channels by which to sell their vegetables, acquisition of the land on which to build the greenhouses, and so on. Under these circumstances, the farmers were very much in need of some form of external force that would be able to help them solve these issues.

In order to deal with the villagers' needs, Gengdian witnessed an expansion in the substance of village governance. In addition to administrative affairs, the village cadres began to exert more and more energy in providing services for greenhouse production across the whole village and helping in finding solutions to issues that individual farmers were unable to solve. Moreover, under the leadership and mobilization of the village cadre, a whole series of villagers' cooperative organizations began to be established within Gengdian itself, including a vegetable market, a cooperative society, and a seedling farm. Through these cooperative organizations, the economic requirements of the villagers were standardized and routinized. Then, the very existence of the organizations was helpful in bringing together the scattered funds of the villagers, so that they could undertake relatively concentrated investment and

make it possible to gain more from the marketized supply chain for agricultural products.

In this way, the transformation of village administration, the increase in the substance of the cadres' work, and the establishment of a series of cooperative organizations—all these changes, to a certain extent, helped to overcome the weaknesses inherent to small-scale farming. As such, the greenhouse production of vegetables in Gengdian, with small-scale households doing the farming, could constantly be developed rather than coming to a standstill and ultimately, a failure.

Geng Zunzhu, the current Secretary of Gengdian Party Branch, entered the ranks of the village leaders as the deputy director of the Village Committee (村委) in 1999. From 2002 onwards, he had been elected in, with the majority of the votes, as Director of the Village Committee (村委会主任), whilst at the same time acting as Secretary of the Village Party Branch. For over a decade, Geng Zunzhu has continued to be at the very heart of politics in the village. Multiple interviews with Geng clearly demonstrate the change in the substance of their work and the extension of the village administration.[11]

According to Geng Zunzhu, in the 1990s, the main work of the village cadres was the collection of agricultural tax, *santiwutong* and so on. Following the tax reforms of 2000, the original agricultural tax and the *santiwutong* were done away with, and only the new agricultural tax and additional fees were collected.[12] In 2006, the new agricultural tax and the additional fees were again

11 Currently there are altogether six village cadres in Gengdian. Geng Zunzhu is the Secretary of the Village Party Branch and the director of the Village Committee, and he is in charge of all work in the village. Geng Chuanxi is the deputy director, and is in charge of production within the village and of new rural construction. Geng Fuzhong is responsible for managing the vegetable market, as well as acting as cashier for the Cooperative. Geng Qingxiang is the director of the village public security committee, he is charged with managing the seedling farm, and he is the accountant for the Cooperative; Shu Gaoqi is the local people's company commander, and he is charged with the management of the market as well as water and electricity for the whole village; Wang Yuzhen is the women's director. In Gengdian itself there are four Village Groups, each group has a Village Group leader. Aside from Geng Zunzhu and Wang Yuzhen, each village cadre is the leader of a village group.

12 In 1999, the average amount of agricultural tax per capita in Liaocheng was 26 *yuan*, and in 2000 it was 25 *yuan*. *Santiwutong* is usually calculated according to 5% of the net income per capita from the previous year. In 1999 it was 75.5 *yuan*, and in 2000 it was 75.3 *yuan*. After 2000, the tax reforms were put into place. The "new agricultural tax" was calculated by multiplying the average per capita yield during the five years between 1994–1998 by 6% at a price of 0.57/0.5kg; the additional tax was calculated at 40% of the new agricultural

rescinded. This meant that the task of collecting agricultural tax no longer existed. However, for the last ten years, the work pressures of the village cadres have by no means eased, and instead they have grown heavier. This is because after the agriculture in Gengdian was entirely transformed from the growing of grains and cotton to greenhouse vegetables, the new industry brought out many issues that the farmers were unable to solve themselves. Under these circumstances, the villagers always looked to the village cadres to help them in seeking solutions. Nowadays, the main work of the village cadres is serving the greenhouses across the whole village. This created a striking contrast with the former form of village administration, which mainly involved administrative affairs like the collection of taxes.

This transformation in the administration of the village was a gradual process. When the greenhouse industry first began, the involvement of the village cadres was far from what it is today. At that time, the villagers purchased materials themselves, and the sale of vegetables was done at the side of the road in the village. It was in 2003 that the priority of the cadres' work was shifted to services for greenhouse production. In that year, villagers had to grow new assortments of greenhouse vegetables. Before 2003, all of the greenhouses throughout the whole Jiazhai Township, including those of Gengdian, were drawing on the experience of the villager in Wangyaobao Village, who grew kidney beans. This type of pulse, after three years of continuous cultivation, is easily affected by disease, causing the yield and the quality to slide. At this point, it was imperative that the crop be changed for a different type. A suitable new type of vegetable needed to be chosen, and with this came the need to learn the techniques involved in cultivating this new crop. Yet the majority of the villagers did not have the ability to introduce a new crop or the new skills involved. It was in this situation that Geng Zunzhu repeatedly reported the severity of the crop rotation issue to the township government, asking that they send people with the necessary skill to solve the problem. In 2003, the township government employed a specialist from Shouguang (寿光)—a county level city in Weifang (潍坊) in Shandong Province—who knew how to grow cucumber, peppers, and other vegetables in greenhouses. To replace the kidney beans, they invited him to give guidance on the crop rotation that was to take place in Gengdian's greenhouses. The village collective put up the funds, and through this specialist, they bought cucumber seeds and grafting clips for the cucumbers, giving them out, free of charge, to the thirty villagers willing to change their crops. With the help of this specialist, the

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tax. In 2001, the total per capita new agricultural tax for the agricultural population in Liaocheng was 91.42 *yuan*.

thirty greenhouses of the villagers were successfully set up to cultivate cucumbers instead of kidney beans. Following the change, in that year each individual greenhouse made a gross income of around 15,000 *yuan*. Having seen the benefits, the rest of the farmers who had not rotated their crops all began to follow suit the next year. It was in this way that by the end of the second year all of the greenhouses in Gengdian had rotated their crops. Meanwhile, within the jurisdiction of Jiazhai Township, in those villages that had not actively helped their villagers to rotate their crops, the greenhouse industry began to fail. This also shows how serious the inherent weaknesses of small farming can be.

Through this matter of crop rotation, Geng Zunzhu and the other cadres came to realize that in order to keep the development of the greenhouses going, the village collective must be responsible for the introduction and updating of techniques for the greenhouses. Thus, from 2003 onwards, the village cadres, each year, would organize around thirty villagers to go to Shouguang to observe what was going on there and learn the techniques for producing vegetables. This has already become a regular part of their work. The transport, room and board of the villagers all came from the funds of the village collective. The organization of observation and learning tours had a notable, positive effect on prompting renewals in the types of vegetables and improvements in the techniques for greenhouse cultivation. After 2003, Gengdian introduced a string of new vegetables from Shouguang, including bell peppers, chili peppers, and cherry tomatoes, which were all successfully cultivated. In 2006, Gengdian introduced a new style of "superior standard" greenhouse techniques from Shouguang. This type of greenhouse used a huge tract of land, and the bottom of the canopy was around 1.5m below ground surface, which meant it was good at preserving heat in the winter season. So the yield was good, and the vegetables were of a high quality. An automatic machine was used to roll out and retract the curtains of straw thatch used to preserve heat over the film of the tent, saving time and labor. Beginning in 2006, the new greenhouses built in Gengdian were all of superior standard, and many villagers rebuilt their original greenhouses, swapping them for the new style. The superior standard greenhouse needs electricity to operate the automatic curtain machine, so the cadres also became responsible for laying electric cable for each of the farmers near their newly built greenhouses.

From 2000, coordinating the circulation of land also gradually became an important part of the cadres' work. The land for building the greenhouses had to fit a rectangle of a certain size, whereas the plots of allocated land in the villagers' possession—one plot per household—more often than not, did not meet the requirements for size and shape. In Gengdian, when the collective

land was being separated up to allocate small plots to the villagers, the land allocated was running from north to south in length, and the narrow width of each plot ran from east to west. The building of greenhouses actually required the opposite: the length of the plot should be east-west, whilst the width should be north-south. This is aimed to increase the area of sunlight that the greenhouse gets in the winter. When the greenhouses were first promoted, since the collective land was transferred, and the plots of land for the greenhouses were allocated altogether, this problem did not exist. However, as more and more greenhouses were built, the problem of the land allocated not being suitable for building greenhouses became increasingly prominent (this is also a reason for other villages' being limited in their development of greenhouse vegetables). The central government had already expressly prohibited revisions to the land that had been allocated for a period of 30 years beginning in 1999.[13] Moreover, after greenhouse production had become the leading industry in Gengdian, it was not feasible to reallocate collective land across the whole village. Thus the Gengdian village cadres began to undertake services to transfer the land, coordinating the swaps of land or transferring the allocation between different farmers, in order to satisfy the requirements of building greenhouses. From 2006, the cadres had already helped in the exchange of over 300 *mu* of land between 130 households, for new greenhouses to be built and older ones to be rebuilt. Also, they had assisted with the transfer of 170 *mu* of land, involving over 120 households.

In 2003, at a meeting of village cadres, Geng Zunzhu proposed that a steel-framed structure, covered with an awning, be built inside the village to serve as a vegetable trading market. The purpose was to provide a stable sales channel for the whole village's vegetables. The other cadres at the meeting, including four cadres and four Village Group (村民小组) leaders, all agreed with Geng Zunzhu's suggestion. Following this, Gengdian called a villagers' meeting with 30 villager representatives to discuss about the vegetable market. With the support of the villagers' meeting, the cadres from the Village Committee and the Village Group leaders all decided to adopt a share-holding system to find the money for building the market. The village collective invested 30,000 *yuan*, and combined with the investments from the cadres and the ordinary villagers, they altogether raised 150,000 *yuan*. After the funds had been raised, Geng Zunzhu and the Village Committee accountant Geng Fuzhong (耿付忠)

13 The twenty-seventh provision of the Law of the People's Republic of China on Land Contract in Rural Areas, first implemented on 1 March 2003, stipulates that aside from instances of allocated land being destroyed by natural disaster, the contractor is not at liberty to alter allocated land within the given period of allocation.

took two of the share-holding village representatives to Liaocheng, to investigate the building structure of vegetable markets, and then they went to the building materials market to purchase the materials for constructing the structure. During the construction that followed, the village cadres worked alternating shifts to check the quality of the construction work and supervise the building materials right up until the market had been built.

After the vegetable market had been built, the village accountant Geng Fuzhong was in charge of the management of the market. During wholesale trading, the shareholders took turns to work in the market, with two people each day, taking responsibility for weighing the vegetables and dealing with miscellaneous jobs around the market. For each 0.5kg vegetables weighed and traded at the market, two *fen* (one *fen* = 0.01 *yuan*) was collected as a weighing fee. Three receipts were issued: one was kept by the person in charge of weighing the produce, the second was given to the wholesale vegetable market cashier by the person who was in charge of collecting the weighing fee for that day, and the third was given to the vegetable market accountant to be put onto the books. Not only did the vegetable market provide a stable channel for the sale of the vegetables produced in Gengdian and the surrounding villages, but it also made a profit through the weighing service. Since the year the market was built, the bonus has been shared out annually, and by 2009, this had already happened six times. The amount divided would reach over twice the amount invested, and both the village collective and the share-holding villagers benefitted from this.

After the vegetable market had solved the problem of selling the produce, in 2008 Geng Zunzhu and the other village cadres mobilized the villagers to establish the Chiping County Lüguan Farmers' Professional Cooperative (茌平县绿冠蔬菜农民专业合作社). On March 3, 2008, Geng Zunzhu proposed the establishment of the Cooperative (合作社), and through discussions at a meeting of the village committee cadres and village group leaders, a unanimous decision was made amongst them in support of the motion. After more than three months of preparations, on June 19th, a general meeting was convened to mark the establishment of the cooperative. In the same way as the vegetable market, the cooperative adopted a share-holding system to raise funds, and on the establishment of the cooperative, there were ninety-three households from across the village that had invested. A total of 320,000 *yuan* had been raised in funds from people joining the cooperative. The village cadres were responsible for the cooperative's management. Geng Zunzhu, the Secretary of the Village Party Branch and Director of the Village Committee, became the Cooperative's chairman, whilst both Geng Chuanxi (耿传喜), the Deputy Secretary of the Village Party Branch and Deputy Director

of the Village Committee, and Shu Gaoqi (舒高齐), the village army company commander, became joint vice-chairmen of the Cooperative. The position of accountant was taken by Geng Qingxiang (耿庆祥), the village public security director. The Cooperative had multiple functions, which included integrating the purchasing of both materials for the greenhouses and the vegetable seedlings in order to ensure quality, whilst at the same time reducing the costs for farming households making their purchases separately. A second function of the Cooperative was to integrate the techniques of the villagers in producing the vegetables, standardizing the use of pesticides and ensuring that they were able to reach the standards required of green food. A third function was the building of a cold storage warehouse for storing the produce. In this way, after having stabilized a channel for the sale of the vegetables, through the organizational framework of the Cooperative, Gengdian's vegetable industry could be coordinated and standardized at the production level.

After successfully operating the vegetable market and the Cooperative, in the summer of 2010, Gengdian built a farm for the cultivation of vegetable seedlings, which encompassed five purpose-built greenhouses to provide the farmers from Gengdian and the surrounding villages with seedlings. Before the establishment of the Cooperative, the villagers would go themselves to vegetable seedling dealers in the township of Jiazhai to buy chili pepper and tomato seedlings, but for cucumbers, they had to buy the seeds and grow them themselves. After the Cooperative had been set up, the bulk buying of chili pepper and tomato seedlings meant that five *fen* could be saved on each seedling purchased, but the cucumber seedlings still had to be bought as seeds and grown by the households themselves. In the case of cucumber, they needed to be grafted onto pumpkin sprouts. With each household separately doing all of the work involved in grafting, not only did this mean that each household had to arrange its own space to cultivate the pumpkin and the cucumber seedlings, but it also took up a great amount of the time of those households running greenhouses. Moreover, for those farmers who were not particularly skilled at grafting, their success had no guarantees. Meanwhile, in Shouguang, the seedlings were all cultivated in the same place, at seedling farms housed within greenhouses, thus bringing a great deal of convenience to its farmers.

From 2009, Geng Zunzhu, Geng Fuzhong, and Geng Qingxiang came and went between Shouguang and Gengdian, making at least seven trips, to plan for the building of a seedling farm. They began by observing the structure of the canopies used in Shouguang for growing the seedlings, and then they went to learn how the farmers built their canopies, using cameras to take photographs during study. They then hired a specialist from Shouguang, who knew how to build the canopies, and six specialists, who were in charge of grafting

seedlings, helping building the seedling farm and passing on the techniques needed for the grafting. In order to build the seedling farm, Gengdian transferred 15 *mu* of the villagers' allocated land, the fee for which was decided at a rate equivalent to the market price for 500kg wheat to be paid in cash per annum. The floating capital needed for building the seedling farm was mainly raised through the villagers' buying shares.[14] Altogether there were 158 households that invested. Geng Qingxiang was put in charge of the management of the farm. He was to be on-site to supervise the building process and to coordinate the construction, and following the completion of the building, he was to be responsible for the day-to-day management. In 2010, all of the seedlings for growing pumpkins, cucumbers, bell peppers, chili peppers, aubergines and so on, which were needed in Gengdian and the surrounding villages, were supplied by the Gengdian seedling farm. Not only did this make things convenient for the villagers, it also lowered production costs.

Aside from providing services, Gengdian's vegetable market, Cooperative, and seedling farm all made a certain amount of profit. The vegetable market collected its weighing fee; and the price of the materials for production supplied by the Cooperative was lower than the market retail price, but higher than the wholesale price achieved by integrating all of the purchasing. The seedling farm made a profit during the process of producing the seedlings. This meant that the price for the seedlings it supplied was lower than the market price, and it was also lower than the wholesale price achieved by the Cooperative when buying in the seedlings. The price at which the Cooperative and the seedling farm sold the materials for production and the seedlings was the same for both shareholders and non-shareholders alike, but the profits were shared only between the former. In April 2010, the Cooperative managed to share out its profits for the first time following its establishment. The amount split between the shareholders was 79,052 *yuan*. Judging by its current performance, the seedling farm will recover all of its investment in 2013. This kind of capacity for making profit helped to spark a willingness amongst the villagers to invest, enabling all of the funds needed for the establishment of these cooperative organizations to be raised successfully.

What all of the above shows is that when faced with an economic environment heavily affected by marketization and commercialization, the small-scale farming of Gengdian, just as with any other type of small-scale business, was

14 Altogether a total of 1,015,000 *yuan* was raised, of which 800,000 *yuan* was made up of investments from 158 households of villagers in Gengdian, 75,000 *yuan* came from investments from cadres at the township (*xiang*) and county levels, 40,000 *yuan* came from villagers from other villages, and 10,000 *yuan* came from the Cooperative.

confronted with many difficulties. Under these circumstances, it just so happened that there was a force ready to exceed the scope of the small household farmers, to complement and make up for their deficiencies. The emergence of this force, firstly, is down to the long-term construction of Rural Village Organization (农村基层组织) that has been underway since the establishment of the People's Republic of China (中华人民共和国). In the second section of this article, we have seen that right from the beginning of the Collectivization Period (集体化时期), the village of Gengdian had enjoyed a tradition of good governance. This tradition is one of the concrete achievements of the construction of village organization. The election system for the Village Committee that has formed since the Rural Reforms, the villagers' general meeting system, combined with the Party Branch that already existed prior to the reforms, all provided a political structure that could be relied upon and could support the continuation and preservation of Gendian's administrative tradition.[15] Under this kind of political structure, certain individual gifted groups of cadres come to the fore and put their talents to use to provide services and support for the villagers' production. The series of cooperative organizations established with the impetus of the village cadres, routinize and standardize certain services commonly required by the villagers, including the purchasing of materials, the sale of their produce, and guidance on techniques, enabling the villagers to rest at ease and rely upon these services. Moreover, the emergence of the cooperative organizations was also helpful in bringing together the scattered funds of individual households, enabling them to make investments that they would be unable to make alone as small farmers. Thus it was possible to extend the agricultural produce supply chain both upwards and downwards so that on the basis of maintaining household production "vertical integration" could be realized.[16] This in turn achieves greater gains for villagers from marketized agricultural production. The pooling of the villagers' money to raise funds for the vegetable market and the seedling farm, as well as the Cooperative's investment for the cold storage warehouse, is an example of this vertical integration.

15 The existence of this type of village politics is one of the key differences between rural China and other small-farming countries like India.

16 In the 1920s, Russian economist Alexander Chayanov clearly proposed that cooperatives formed by rural households joining together, controlling warehouse storage, credit, distribution, the processing of agricultural products, and the other stages that come with agricultural production, could form (in the broad sense) the "vertical integration" of the agricultural economy. This kind of vertical integration, characterized by its extension of the supply chain for agricultural products, is different from "horizontal integration", the main characteristic of which is expanding the scale of the farm. See Chayanov 1996 [1925] Chapter 7.

5 The Impact of Small Farming Development on the National Economy

So far in this article, we have seen the development of agriculture and the changes in village society that have been occurring for the last fifteen years in Gengdian. Faced with increased demand for vegetables, the cultivation of grains and cotton traditional to Gengdian was transformed into greenhouse vegetable agriculture. The village's traditional form of administration, based on administrative affairs, was transformed into one based mainly on the provision of economic services. These days, the day-to-day work of the village cadres is mainly the provision of services for greenhouse production throughout the whole village, and management of the cooperative organizations. During this development process, both the villagers' per capita income from labor and the returns from each unit of land have shot up. The identity of these small-scale proprietors has been strengthened. The trends for greater cooperation within the village and the transformation of the village's administration into one most concerned with economic issues have strengthened the sense of cohesion in the village collective.

As a case study, the development experience of Gengdian demonstrates a type of development vision for China's small farming agriculture. In some rural areas, where transport is convenient and the natural conditions are suited to cultivating vegetables and fruit, or to rearing livestock, it is possible to achieve a transformation from involution farming to a new form of labor-capital, concentrated agriculture. This new model is built on the collective ownership system, and the heart of the model is household farming. Moreover, through cooperative organizations arising within the villages themselves, the vertical integration of business operations and of the production of agricultural produce can be achieved. In this way, within the context of trade and circulation in a market economy, considerable profit can be achieved, realizing increases in the incomes of people in rural China, as well as the development of the countryside.

The prominent features of this vision for development are: firstly, what it reflects is the potential within agriculture itself for continued development—the transformed structure of agriculture—thus forming a different way to increase the income of people in rural China without labor migrating to the cities and shifting over to non-agricultural sectors. Secondly, it is a way of realizing development through active participation in the market economy, and benefiting from the agricultural product supply chain, thus it is different to the rural construction of the days of the Planned Economy (计划经济). Thirdly, the leading forces in this form of development are the farming household, and the village collective. Thus this model differs from development of agricultural

industry and marketization that is reliant upon outside capital to integrate the key resources of rural land, and hire rural labor.

The next question is: if this vision for the development of small farmer agriculture were to be commonly achieved, what kind of effect would it have on the Chinese economy?

Firstly, this involves an overall grasp of China's economic structure. Professor Philip C. C. Huang through a series of recent studies has proposed that China's urban economy is increasingly demonstrating the coexistence of the formal and the informal economy (Huang, 2009; 2010a; 2010b). Informal economy is characterized by its lack of welfare and job security. Indeed, it is almost entirely untouched by the protection of China's labor laws. Those working in this informal economy already account for 168 million of a total of 283 million people employed in towns and cities across China. This is one and a half times that of those employed in the formal economy (Huang, 2009). As early as the 1970s, the United Nations' International Labor Organization (ILO), based on empirical research undertaken in a great number of developing countries, pointed out that at the same time as modern urban economies are constantly expanding, the vast majority of laborers entering the cities from the countryside are not working in the formal sector built up of enterprises imitating those of the West, but rather, they are entering the informal sector (ILO, 2002: 9–10). These workers suffer discrimination in many different ways, including in the pay for their work and welfare, so the clear stance of the ILO is to advocate struggle for a dignified working environment for workers within the informal sector. In contrast with the binary division of the economy into "traditional-modern" or "agricultural-industrial," which appear in mainstream development economics (Lewis, 1989), a different kind of analytical framework based on "agriculture, the informal sector, and the formal sector," more accurately captures the whole picture of China's economy.

Since the beginning of the Reform and Opening, although China's economy has experienced sustained rapid growth, we cannot but accept that overall, the structure of industry is still for the most part dominated by labor-intensive enterprises at the bottom of the supply chain. Keeping wages and the welfare provided to workers low has become the main means to cut costs and maintain the competitiveness of enterprises. Meanwhile, for a long time, involution farming based mainly on the cultivation of grains and cereals has left rural China with an enormous amount of surplus labor. As there was no way to rely upon agricultural production to increase income, as urban labor-intensive industries have rapidly developed, people from rural China have arrived thick and fast in towns and cities, entering the informal sector and becoming migrant workers (*nongmingong*, 农民工). The threshold for rural labor to shift between the urban informal sector and the agricultural sector is low. The

two are separated from the urban formal economy (for instance, made up of enlightened foreign enterprises and large-scale Chinese enterprises) by a deep chasm, which would be most difficult to cross.

It is very easy for a distorted kind of entanglement to form between the involution agricultural economy and the urban informal economy. One element of this is that the low income of the former and the existence of a large volume of surplus labor that accompanies it mean that even when pay is extremely meagre, and there is a lack of welfare and security, the informal sector is still able to attract vast numbers of migrant workers. At the same time, it is very difficult for migrant workers in the informal sector, with meagre wages and inadequate social security, to completely settle in the city. These migrant workers must continue to rely upon the village instead of the city to achieve their labor reproduction, and thus they are unable to extricate themselves entirely from the countryside (He and Dong, 2009). "Half farming, half working" thus becomes the norm for a vast number of rural families (Huang, 2007b [2006]). This kind of "locked" situation between involution farming and the urban informal economy is a problem that a country like China, with such an enormous population and a tradition of small farming, must solve during the process of economic development.

The potential for development inherent to small farming agriculture provides a possibility for breaking through this lock. When the leading rural industry is transformed from the old form of agriculture, based on the cultivation of grains, cereals and rice crops, into a new form of agriculture based on growing fruit and vegetables, rearing livestock, fish farming and so on, the income of people in rural parts of the country is notably increased. This, in turn, raises the expectations of people from rural areas about what they can earn when they go to the city to work. If the income and welfare working in the city does not compare with the income that can be earned on a person's own plot of allocated land by growing fruit and vegetables, rearing livestock or farming fish, then he or she will not choose to go to work for a boss in the city. Instead, they will opt to run their own small farm in the countryside. In this way, after the transformation, the new industries in agriculture will battle with the urban informal economy for labor. This creates a kind of pressure, demanding that the latter provide better pay, that the state and enterprises provide welfare and security for workers in the informal economy, or that they invest more resources in providing a higher level of technical training for migrant workers. The alternative is that the cities would be unable to attract laborers to come and take up employment there. Compared with using administrative measures to increase the minimum wage and welfare of the informal economic sector, influencing the decision making of enterprises in the informal sector by the development of agriculture itself is a more amicable way of going about

things and would not create massive unemployment amongst migrant workers. This would also have the effect of spurring on the transformation within the informal sector from low value added industry to high value-added industry. If the turning point for change was the continued development of small farming, and increases were achieved in the income of those working in agriculture and in the urban informal sector, then this would directly help towards accruing wealth for those laborers who, for a long time, have been right at the bottom of the heap. This could also expand China's long-standing seriously deficient domestic demand and in turn provide the basis for improving the whole economic structure. At the same time, it would also help us to come up with appropriate solutions to the problems of the Three Rural Issues (*sannong*, 三农问题)—rural areas, rural people, and agriculture—and ameliorate a whole series of social pressures that have accompanied the expansion of the urban informal sector.

6 Conclusion

This article has done two things. Firstly, through empirical research and theoretical analysis, it has revealed the development logic of Gengdian's small farming-based agriculture and village society within the context of the market economy. Secondly, it has examined the kind of impact the potential development of small farming-based agriculture might have on the national economy as a whole.

Within the greater context of an increasingly developed market economy, the village of Gengdian continues to maintain small-scale farming, which is still carried out by the individual rural household. However, the economic logic and mode of operation have undergone important change. The villagers have commonly shifted from cultivating traditional crops of grains and cotton to running greenhouses to produce vegetables. There are far greater gains to be made in the market with the latter. The villagers' production is already heavily market-oriented, and its aim is to achieve maximum profit. This kind of economic logic forms a sharp contrast to traditional small farming, the main aim of which is subsistence—to satisfy the needs of the family. Corresponding with the continued existence of household farming, the village administration of Gengdian and the substance of the village cadres' work has also experienced an important transformation. Aside from dealing with administrative affairs, the village cadres are investing more and more energy in providing services for greenhouse production throughout the village. Meanwhile, within the village,

a series of cooperative organizations have been generated through the joining together of the villagers, in order to provide for stable sales, coordinate production, and guarantee the supply of the materials needed for production. These changes within village society, to a certain extent, make up for the weaknesses inherent to small farming, thus bringing about sustained development of the vegetable industry in Gengdian.

If this kind of vision for the continued development of small farming-based agricultural were to become a universal phenomenon, not only would this increase the income of rural laborers, it would also produce an impact upon the huge urban informal economy, pushing enterprises in the informal sector to give better pay to migrant workers, and to increase the welfare provided to them. Otherwise, these enterprises will have no way to compete with the small-farming industry for labor. This would also create the juncture at which the Chinese economy turns to rely more upon scientific and technological innovation, and a more people-oriented form of development.

The internal logic reflected in the development of Gengdian creates a striking contrast with the classic thinking of Marx and Weber. They have both argued that large-scale agricultural enterprises using freely employed labor will replace household businesses. It is worth noting that the form of operation in Gengdian, based on "household farming + cooperative organizations", is actually in keeping with what was envisaged by Russian economist Chayanov (Chayanov, 1996 [1925]) Whilst contemplating the future prospects of small farming in Russia after the Socialist revolution, Chayanov put forward this idea: agricultural production would continue to be based on household farming on a horizontal trajectory, whilst the "vertical integration" of agriculture that individual farming households cannot achieve on their own would be undertaken by associations of farmers—cooperatives. Chayanov argued that this style of development would not entail a stage during which the peasants were stripped of their land, making them property-less, and thus it is more befitting of the tenets of socialism. This form of development would allow the majority of profit derived through the supply chain of agricultural products to find its way back to the peasants, in this way raising the income of rural people to the greatest possible extent, and giving impetus to the development of the countryside. Contemporary China is a developing country with a vast number of rural citizens, and it is an East Asian power with a long history of small-scale farming. Searching for a development path with the people in rural areas as the subjects and promoting the utmost well-being of rural people and the countryside are meaningful in the most practical sense. It is academic explorations to this kind of end that this article hopes to initiate.

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CHAPTER 2

"Beyond the Boundary": A Countermovement to the Hollowing-out of Rural China*

*Wu Chongqing***

Sun Village (孙村) is located in a coastal area of Putian (莆田) prefecture in Fujian (福建) historically known as *Jiewai* (界外)—"Beyond the Boundary." This term derives from Putian's "border relocation" policy during the early Qing dynasty (清朝). In 1647, Zheng Chenggong (郑成功) led a naval mutiny against the Qing that established his fleet's control over the Nanri (南日) and Meizhou (梅州) archipelagoes off the coast of Putian until 1661. In 1662 the Qing issued an order to "cut the boundary (截界)," establishing new imperial borders along the coast and building walls to demarcate them with stone forts every five *li* (里, roughly 2.5 kilometers). The state relocated coastal residents to areas within the new borders, while "strengthening defenses and razing fields" outside the borders. Qing forces did not recover the archipelagoes until 1680, reestablishing the old borders with the incorporation of Taiwan (台湾) in 1683 (see *Putian Xianzhi*, 《莆田县志》, 1963).

Although the border walls existed for only 21 years, the name *Jiewai* stuck and developed into a deeply rooted derogatory term for the area. For people in other parts of Putian, *Jiewai* denoted marginality, backwardness, poverty, ignorance, and incivility. Over the past two decades, however, this term has gradually lost its negative connotation. For the first time, Putian's urbanites have begun to say, "You *Jiewai* people are good at innovating and getting rich." Behind this reversal lies the diligent efforts of *Jiewai* residents to break out of their traditional situation.

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1 Social Networks in a Peripheral Region

These urban appraisals of *Jiewai* partly match its changing reality. The region is peripheral not only in the geographic sense but also economically, culturally, and socially. *Jiewai* belongs to what was traditionally known as "areas beyond [Chinese] civilization (化外之区)."

Yao Zhongqiu (姚中秋) wrote of "China south of the Qiantang River" (钱塘江以南中国) that after the fall of the Western Jin (西晋) dynasty, "the upper strata of scholar-gentry from Luoyang (洛阳) and surrounding areas migrated south. Numerous and highly organized, unable or unwilling to defend themselves against the despots of Wuzhong (吴中), they chose to cross the Qiantang River (钱塘江) and settle in the Kuaiji (会稽) area, where they established strong social organizations that later migrants could not penetrate, forcing the latter to move even further south. . . . The Qiantang River thus became an important line of demarcation for Chinese culture": every subsequent war would push more "relatively Confucianized groups to migrate southward," to the point that "China south of the Qiantang River" (coastal areas south of Ningbo, southern Anhui, Jiangxi, etc.) ended up surpassing areas to the north in the preservation of Confucian culture and governance (Yao, 2012: 38–39). This is a somewhat elitist explanation of why lineage culture and social networks are relatively developed in rural China south of the the Qiantang River—interpreting "society" from the perspective of "rich and powerful clans."

Actually many remote villages in coastal southeastern China lack the natural resources necessary for large lineages to take root, branch out, and multiply, yet their social networks have developed nevertheless. This begs the question of how to understand social organization from the bottom up, specifically how society is shaped through the everyday economic activities of ordinary people.[1] This was also the perspective of Skinner (施坚雅), who argued that "standard marketing areas" were rural China's most important space of interaction shaping local sociocultural systems (Skinner, 1998 [1964–1965]: 40).

Today most scholars tend to assume that rural China during the imperial period consisted of autarkic, self-sufficient social units, taking for granted that the geographic boundaries of a "natural village" coincided with its social boundaries. In southeastern coastal villages, however, rural social networks were more open than conventionally imagined, and the key to their

1 In his research on Hakka Culture (客家文化), anthropologist Myron Cohen argues that linguistic dialects are another variable in Chinese social structure, a major force in the formation of groups and their unique modes of social activity. See Yang and Wen, 1982: 302.

formation of open social networks was the long-term development of mobile sideline industries.

There have been two main types of peasant sideline arrangements. One is the common on-site sideline associated with the phrase "men plow, women weave" (*nangeng, nüzhi*, 男耕女织). As Philip C. C. Huang (黄宗智) has pointed out, this has been "an extremely stable economic form throughout Chinese history," occupying a considerable portion of traditional peasant economies (Huang, 2008: 267–87). The other type is known as "mobile sidelines." Whereas on-site sidelines are performed by the household's supplemental labor-power, mobile sidelines are performed by the household's main labor-power, that is, the men mainly work outside the village as migrant peddlers or artisans, an arrangement that could be described as "men trade (or craft), women plow" (*nan shang/jiang, nügeng*, 男商/匠女耕). This type of sideline arrangement has been more common in coastal areas with frequent natural disasters and low ratios of arable land to population, which compelled the men to go out looking for ways to make money throughout most of the year, or at least during the slack farming seasons.

Since households with "men trading and women plowing" did not accumulate surplus or capital on a daily basis, they could only join the ranks of migrant peddlers with low requirements for start-up capital, and they had to contrive ways to minimize the need for operational capital. Sun Village is located near the Putian saltern, Fujian's largest seawater evaporation facility. During the Republican Period (民国时期, 1912–1949), this saltern was monopolized by local warlord forces (known as the "the Northern Army"), but some employees managed to smuggle out "private salt" (私盐) and sell it for low prices. When going out as migrant peddlers, Sun villagers often bought 100 or 200 *jin* (斤, approximately 50–100 kilograms) of such "private salt" and carried it by shoulder-pole 20 or 30 kilometers to sell on the way to the Putian's rice-farming plains. When they sold out of salt around dusk they would walk to the county seat of Putian, where they would rest for the night in a simple inn. Early the next morning they would buy plains products and "Western" household goods such as matches, hairpins, cigarettes, tea leaves, olives, citrus fruits, and water chestnuts, and then carry them back to the coast to sell them to the peasants of *Jiewai*. During this journey of interregional trade, they would stop along the way to carefully collect information about the consumers' varying demand in different places and seasons. Each peddler had his own customary route and regular customers, sellers, and inns. These peddlers thus established social networks and conveyed information among villages and regions, and between the city and the countryside.

The other type of mobile sideline arrangement could be called "men craft, women plow (男匠女织)." In *Jiewai* there was a common belief that boys should begin artisanal apprenticeships as young as possible, since "young hands are nimbler." Sending boys to apprentice at an early age also relieved the household of less productive mouths to feed. Before the introduction of compulsory public education, Sun villagers often sent their sons to apprentice at the age of 12 or 13 years. These crafts were all related to everyday livelihood. A few required heavy machinery and thus operated out of storefronts (tailoring, blacksmithing, cloth-dying, etc.), but most were mobile (carpentry, masonry, stonework, painting, engraving), and some artisans hawked their services along the road (barbers, kitchenware-makers, bamboo workers, and pig-castrators).

The characteristics of the peddlers' business determined the range of their movement—between *Jiewai* and the county seat of Putian. For migrant artisans, that range may have been even larger, so their role in developing social relationships among villages and regions was not less significant than that of peddlers in terms of breadth; and in terms of stability, artisans' relations between master and apprentice, between artisan and client, and among fellow artisans of the same craft were even more important. Sun villagers thus used the term "going out to society" to describe boys who left the village to apprentice or artisans who operated outside, indicating that they truly entered social networks outside the village.

During the People's Commune (人民公社) period (1958 to about 1980), the activities of peddlers and artisans were regarded as "tails [remnants] of capitalism" (资本主义尾巴) that needed to be "snipped off." Since in *Jiewai* the ratio of arable land to population was low, it would have been impossible for the peasants to maintain their livelihood without these sorts of mobile sidelines, and agriculture could not absorb much more labor-power, so the production-team leaders basically turned a blind eye to such activities, merely requiring peddlers and artisans to pay a "sideline fee" in exchange for grain.

2 From Periphery to Center: The On-Site Concentration of *Dajin* Resources

As early as the 1970s, a new type of artisanship emerged in *Jiewai*. Residents used the traditional terms for blacksmithing (*datie*, 打铁) and stonework (*dashi*, 打石) to name the art of producing and processing golden jewelry as *dajin* (打金, literally, "hitting gold"). Its inventor was a man named Ye Xianfeng

(叶先锋), from Chengtou Village (埕头村), three kilometers away from Sun Village. Ye was a traveling artisan who invented this type of goldsmithing to provide rings and earrings for girls preparing to get married. Although Ye was charitable, in order to protect the secrets of his craft he refused to take apprentices. Nevertheless, the profitability of *dajin* drove villagers to follow Ye around and steal his secrets. This just happened to be at the beginning of China's economic liberalization, so peasants could travel more freely, and rising individual cash income increased the demand for jewelry. The art of *dajin* thus quickly spread throughout the area.

At first, *dajin* was done entirely by hand, without using a mold for casting. This was not only slow but also required great skill. Eventually, several young blacksmiths and stone carvers from Sun Village seized the opportunity to produce iron molds for casting golden jewelry. Both the design and production of these molds were carried out by the same individuals. Often they did not even need a blueprint: relying on their skill alone, they could directly carve the molds with a diamond drill (*jingangzuan*, 金刚钻).

This innovation suddenly decreased the skill level necessary for entry into the *dajin* industry, leading villagers to regard *dajin* as an easy and profitable craft to learn, so goldsmiths' apprentices proliferated. Moreover, Sun Village happened to lie at the intersection of three *Jiewai* market-towns: Daitou, Beigao, and Dongjiao. In the 1980s, therefore, Sun Village became the center of the *dajin* industry as it developed rapidly in these three townships.

The invention of these iron jewelry molds had a revolutionary significance for *dajin*, leading to a division of labor that gave rise to jewelry designers, mold producers, mold vendors, and goldsmiths (*dajinjiang*, 打金匠), with production and sales eventually spreading throughout China as a way for *Jiewai* peasants to get rich in accordance with their tradition of mobile sidelines.

Sun Village produced a great variety of original jewelry molds, and this encouraged village goldsmiths to take them beyond *Jiewai* to the wealthier areas of Chaoshan (潮汕) and the Pearl River Delta (珠三角) in neighboring Guangdong province, where they set up *dajin* shops. As soon as these goldsmiths set up shop far from home, they could not easily leave the job to purchase new materials, so an army of mold vendors soon emerged. After taking a coach from Putian to Guangdong, they would proceed on foot to hawk their molds along the streets—an activity they called "walking the street" (*zoujie*, 走街).

During the New Year holiday of 2010, I interviewed two brothers from the first generation of jewelry mold vendors, Guo'en (国恩) and Guotai (国泰). Guo'en said,

> At the time, the iron molds were heavy. At most we could carry 30 or 40 molds in a military canvas bag on our shoulders—that would weigh 40 or 50 *jin*, so we couldn't carry too many on a single trip. Usually as soon as we got off the coach in Chaozhou [a city in Chaoshan], we would walk along the street until we found a jewelry store. That was "walking the street": walking, sitting, drinking tea, chatting about the news, learning which mold models were selling well or poorly, which new models had appeared from other sources. This was all information we got from walking, sitting, drinking tea, and chatting.

The producers of these molds were not related by blood to the vendors, but they were from the same village or township, so they let them wait to pay until after they had sold them, and the vendors were happy to provide the producers with information about consumer demand and the latest mold models they encountered on the road. Stimulated by this information, the producers eventually decided to switch from the heavy, costly, and slow-to-make iron molds to gypsum plaster molds, which could be produced in batches. The producers overcame their lack of funding by pooling their money to purchase equipment from Fuzhou and set up three plaster mold factories near Sun Village: Yatai (亚太), Jindeli (金得利), and Jindamei (金达美).

Plaster mold production had the advantages of higher volume, greater diversity of models and speed of creating new molds, lighter weight, and lower cost. As soon as a new model came out, therefore, if it was favored by *dajin* shops in distant cities, vendors from *Jiewai* would swarm forth with the new plaster molds in the blink of an eye. According to estimates by industry insiders from Sun Village, at its peak there were 20,000 to 30,000 plaster mold vendors from the three *Jiewai* townships mentioned above (Daitou, Beigao and Dongjiao, 埭头, 北高, 东峤), and they left their footprints throughout China. Before the advent of logistics companies, in a village two or three kilometers from Sun named Shangtang (上塘), the demand for transportation gave rise to many family-run passenger coaches (which actually doubled as freight coaches) with daily direct trips to major cities such as Guangzhou (广州), Shenzhen (深圳), Suzhou (苏州), Shanghai (上海), Kunming (昆明), and Chongqing (重庆), from where thousands of vendors then went on to second- and third-tier cities and county seats.

This vast army of plaster mold vendors from *Jiewai* were functionally similar to the vendors of the much-touted "Wenzhou model (温州模式)," playing the multiple roles of "information collectors, product sellers, market establishers, production organizers, and guides for [China's] transition [from planned to market economy]" (Yuan, 1987: 66). They provided a great deal of feedback to

the plaster mold factories, so the designers could promptly replace outmoded molds with new ones, and Sun Village quickly became a famous center for the production of plaster molds. At the same time, Sun villagers cleverly made use of this sales network, which reached throughout China at no organizational cost, competing through personal networks to entrust vendors with the task of bringing back samples of new jewelry models and equipment from all over the country. This led to the emergence in Sun Village of small factories producing other *dajin*-related equipment such as gasoline furnaces, flamethrowers, hammers, tweezers, scales, and jewelry boxes. They also brought back all kinds of silver jewelry, leading some villagers to switch to silversmithing, which in turn gave rise to its own industry and market with its own specialty shops, and Sun Village goldsmiths throughout China also began to sell silver jewelry on the side.

The emergence of plaster molds had effects no less revolutionary than that of the iron molds before them. If iron molds stimulated more peasants to enter the *dajin* industry and mold-vending, then plaster molds not only further expanded participation in these two sidelines, but also promoted the onsite concentration of other production factors related to *dajin*, such as the family-owned transport and logistics businesses, *dajin* tool production, jewelry wholesaling, and the collection of information related to the jewelry industry and sources of gold. With its vast army of mold vendors and daily transport services to major cities throughout the country, Sun Village became China's largest-scale point of concentration and transfer for all kinds of production factors related to the *dajin* industry.

According to Philip C. C. Huang, "in the process of Western Europe's 'early industrialization,' manufacture gradually separated from agriculture. The former increasingly took place in independent factories, that is, atomized workers were brought together in collective production, mainly in urban areas. . . . In China, however, manufacture stubbornly remained tied to and inseparable from household agriculture up until the mid-twentieth century" (Huang, 2012: 77). The rise of Sun Village's *dajin* industry also meant the separation of manufacture from agriculture, but this separation differed from both Western Europe's relocation of manufacturing to urban factories, on the one hand, and the 1980s Chinese model of TVEs (乡镇经济, i.e. township and village enterprises), on the other. If we borrow the recently popular concept of "headquarters economy" (*zongbujingji*, 总部经济), Sun Village could be regarded as a "headquarters" of the *dajin* industry, with thousands of *dajin* shops and related equipment wholesalers dispersed in cities throughout China. However, this also differs from the typical "headquarters economy" in that Sun Village has broken into the "center" from "Beyond the Boundary." This is a subversion of

the center-periphery relation rarely seen in economic history: the countryside has become the center, and the city has become the periphery. The secret lies in Sun villagers' use of their unique socioeconomic networks to grasp all links in the production chain of the *dajin* industry. They have used the flexibility and low cost of informal economy to stave off competition with big capital and big enterprises.

3 Gaining the Upper Hand through Hometown-Based Economic Networks (*Tongxiang Tongye*, 同乡同业)

By the late 1980s, the concentration of the various *dajin* production factors in Sun Village and its environs had basically been achieved. For the young people of *Jiewai, dajin* had become the easiest non-agricultural occupation to enter, not only with regard to skill and access to information and social networks, but also with regards to the necessary start-up capital. They usually become apprentices to relatives or family friends. Against the background of these personal relationships, master artisans do not regard their apprentices as wage laborers, and the master-apprentice relation is not the usual wage relation. Masters not only teach their apprentices the key skills as quickly as possible; they also help them find appropriate places to establish their own businesses and lend them equipment and small amounts of money at no cost or interest. Within such personalistic networks (whether based on kinship or merely place of origin), "getting rich *together*" (*gongtong zhifu*, 共同致富) has become a commonsensical ethic. If an artisan looks out only for his own enrichment and fails to help his apprentices, in the future he will not be able to obtain help from other members of that network. This situation differs from that of the nationwide network of printshops established by people from Xinhua (新化), Hunan (湖南), about which anthropologist Tan Tongxue (谭同学) concluded that "the wage relation always trumps relationships based on kinship or place of origin" (Tan, 2012: 80).

At the same time, Sun Village's *dajin* industry also benefitted enormously from its good fortune with regard to timing (*tianshi*, 天时), place (*dili*, 地利), and people (*renhe*, 人和): timing, in that *Jiewai* was the first place in China for the industry to start; place, in that all the necessary production factors became concentrated in Sun Village; and people, in its social networks with their ethic of "getting rich together." Within less than a decade starting in the late 1980s, people from Sun Village and its environs opened thousands of *dajin* shops in large and small cities and towns throughout China, such that if you see the word *dajin* hanging over a shop, without even asking, you can be almost certain that the owner comes from *Jiewai*.

Why have these people from a place that is peripheral geographically, socially, economically, and culturally, with little capital or information about modern business management, managed to "invade the city" and carve out a niche in this new industry? Why have people from other places found it difficult to compete? This requires a discussion of Sun Village's special socioeconomic networks, that is, *tongxiang tongye* (same hometown, same industry).

In her research on the Putianese diaspora (莆田裔华人) in Ujong, Malaysia, Zheng Li (郑莉) defined *tongxiang tongye* as referring to "a group of people from the same region undertaking the same industry in the urban economy, using relationships based on kinship or common place of origin to establish commercial networks and monopolize control over markets and resources" (Zheng, 2014: 210–11). Zheng traces this tradition throughout Chinese history, for example, in the place- and kinship-based commercial and artisanal organizations (*shangbang, zugong, zushang*, *ie* 商帮, 族工, 族商) of the Ming (明朝) and Qing dynasties researched by historian Fu Yiling (傅衣凌), and the later lineage economies (*xiangzu jingji*, i.e. 乡族经济) researched by Fu's students Zheng Zhenman (郑振满) and Chen Zhiping (陈支平), analyzing the historical ties between such organizations and *tongxiang tongye*.

The concept of *tongxiang tongye* accurately reflects the mutually embedded relationship between economic activities and social networks, so I borrow this concept to analyze Sun Village's *dajin* industry. Today's *tongxiang tongye* differs from that of the past, however. Past *tongxiang tongye* may have indeed involved the monopolization of control over markets and resources, and thus Fu Yiling argued that "the intervention of lineage forces into China's feudal economy" was one of the main reasons that the sprouts of capitalism failed to develop smoothly in China (Fu, 1961: 97). Sun Village's present-day *dajin* industry is quite different, however. First, this industry consists of small-scale household enterprises, and their urban economic activities depend only on various small-scale personal networks, among which no larger-scale associations have developed capable of monopolizing markets (as did the early-modern *tongxiang huiguan,* i.e. 同乡会馆 and *tongye gonghui*, i.e. 同业公会). Second, although this industry sets up shops and does business in urban areas, its production factors such as equipment, labor-power, skills, jewelry models, and information all come from Sun Village, so it does not rely on urban-based networks' control over resources. If so, then how has Sun Village's *dajin* industry managed to become so competitive and expansive?

In Tan Tongxue's aforementioned study of how villagers from Xinhua, Hunan, set up printshops throughout China, he argues that "for some actors in the market, social factors help them to lower transaction costs and increase their vitality in the market. With respect to Ronald Coase's judgment of enterprises'

economic characteristics according to transaction costs, we can say that social factors, including kinship and place-based networks, have a profound relationship with the market" (Tan, 2012: 73). However, the low-capital economic activities of *tongxiang tongye* do not adhere strictly to modern business models, so in this case transaction costs actually constitute a much smaller portion of total enterprise costs than the costs of *production factors*. In other words, in researching *tongxiang tongye*, in addition to transaction costs, we should also pay attention to why this particular type of enterprise can effectively lower the cost of production factors.

First, Sun Village's *dajin* industry relies on local social networks: all its production materials can be purchased in Sun Village, which not only lowers their prices, but also makes it easier for buyers to purchase on credit if necessary. Moreover, goldsmiths operating in distant cities can easily phone their relatives or friends back in the village and have them ship materials for only 10 *yuan* per package via the passenger coaches traveling directly from Sun Village to cities throughout China, thus greatly reducing the cost of logistics.

Second, personal networks can help young people entering the *dajin* industry to secure and carry out apprenticeships without paying tuition, after which such networks can then help them to quickly raise the capital necessary to start their own business at almost no cost, and to obtain appropriate real estate to set up shop.

Finally, goldsmiths often concentrate their activities in the same cities and towns as their friends and relatives, facilitating mutual aid. The income of a *dajin* shop derives mainly from the differential between the earnings from selling new jewelry and modifying customers' old jewelry, on the one hand, and expenses such as the gold dust lost through the refining process, on the other. These activities require the constant exchange of information among goldsmiths, such as the rise and fall of prices for production materials and the popularity of various models of jewelry. Goldsmiths also help each other out by lending each other money and materials, repairing each other's equipment, providing technical guidance, and looking after each other's shops.[2]

This deep embeddedness of economic activities within social networks thus greatly reduces the costs of both transaction and production factors and increases this industry's ability to compete and expand. This is why outsiders have not managed to follow in the footsteps of Sun villagers. However, this is not an expression of the capitalist logic of capital expanding to the point that it monopolizes market resources—of "the big fish eating the little fish." We could

2 Tan Tongxue (2012) observed a similar situation among migrants from Xinhua, Hunan, in the printshop industry.

say that the more an enterprise acts as a competitor according to a modern business model, the more its costs of transaction and production factors rise, thus making it more difficult to compete with *tongxiang tongye*. This makes it so easy for young villagers to start their own businesses that today there is almost no one from Sun Village working as a wage laborer in a factory in the deltas of the Pearl River Delta and Yangtze River Delta (长三角).

4 The Mutual Activation of Rural Social Resources and *Tongxiang Tongye* Economy

It has been said that "there's no such thing as a free lunch." A Sun Village goldsmith whose business depends on the support of personal relationships must invest time and money in maintaining these relationships during holidays. This is not only a matter of repaying favors, but also an affirmation of his membership in the rural society of Sun Village and an investment in his continued accumulation of the social capital necessary for the development of his business. For disadvantaged people who lack social capital, preexisting rural social networks are basically the only "social capital" they can mobilize, so rationality compels them to treat these networks with great care. Today, between 80% and 90% of young people from Sun Village work in the *dajin* industry outside the village, but in contrast to people who leave the countryside to work in factories, these people maintain close ties with Sun Village through multiple channels. The first is the ties based on everyday business transactions. While cities and towns are the space of *dajin* retail, almost all of the industry's production factors come from Sun Village. Along with the five or six coaches driving between Sun Village and cities throughout China every day, there is the constant flow of goods, people, money, and information.

The second is the affective bonds of personal relationships. During every major holiday or celebration such as Chinese New Year, Grave-Sweeping Day (清明节), Mid-Autumn Festival (中秋节), and the weddings, funerals, and important birthdays of relatives, villagers do not stint the time and money necessary to travel sometimes great distances to return to Sun Village in order to host or attend banquets, or to take part in rituals such as *xie'en* (谢恩, offering thanks) and *baichan* (拜忏, chanting Buddhist scriptures to relieve spirits).[3] Such apparently irrational expenditures are actually productive, since *dajin*

3 Both of these ceremonies (*xie'en* and *baichan*) require two or three days and nights to complete. On the *xie'en* ceremony, see Zheng, 2009. Also see Wu, 2008.

business and social interaction depend on personal relationships based in the village—the industry's primary site for the accumulation of social capital.

The third is the localization of success. Sun Village is not only the goldsmiths' home but also an important base for their business outside the village. In contrast with most business people, the top priority for Sun Village goldsmiths is to return home and display their success, for example, by building new houses there. They call this "making themselves recognizable," meaning that such construction demonstrates that they are still members of the village. One young villager made the mistake of first buying a home in Putian's county seat, and this led to so much gossip and social pressure that within a year he felt compelled to return to Sun Village and build a house there. Today, the village is covered in new houses three to six stories high. Behind this competitive display of wealth is an inward-oriented identification with rural society that is quite different from the logic of "outward-oriented villages" observed by researchers elsewhere.[4]

Finally, these goldsmiths actively identify with their status as members of Sun Village. It is a remote village on the coast with neither ancestral halls nor genealogy tablets, and only one small tutelary temple, the Yongjinshe (永进社). Since the rise of the *dajin* industry in the 1980s, ceremonies honoring the Yongjinshe's chief deity, Yanggong (杨公太师), on his birthday and the Lantern Festival have grown increasingly festive, and the charisma of the village elders running the temple has correspondingly increased, along with villagers' belief in Yanggong's supernatural power. This is because the goldsmiths actively participate in Sun Village's holidays: they not only value Yanggong's blessings, but also want to take advantage of the opportunity to fulfill their duty as members of the community. During the Lantern Festival (元宵节), each household gives a monetary donation to the temple—in the past usually about 10 or 20 *yuan*, but now as much as a thousand *yuan* per household. These donations actually constitute a kind of public fund that the elders use to maintain the temple, purchase materials such as incense for offerings, and finance ceremonial banquets, dramatic performances, and so on. During the Lantern Festival, the elders often propose community projects such as paving roads, repairing bridges, and establishing schools and old people's associations. They ask everyone to help out, and most villagers enthusiastically contribute donations. Likewise, on Yanggong's birthday, goldsmiths must return home to host banquets, saying they want to "entertain the deity," but actually this is also an affirmation of their membership in the community.

4 On He Xuefeng's theory of "outward-oriented villages," see Tong and He, 2002.

Skinner studied China's rural marketing arrangements according to their "central place systems," arguing that, due to "distance costs," markets were often located in the center of equilateral hexagons composed of villages (Skinner, 1998: 21). From such a perspective, it is hard to understand why a peripheral place such as Sun Village would become a center for the concentration and transfer of *dajin* production factors, and geographically central cities would become the village's secondary markets. This requires us to go beyond the economic geography perspective of "distance costs." Skinner himself was more of an anthropologist than an economic geographer, although the Chinese marketing system that his "central place system" theory illustrated did not differ from the conventional models constructed by economic geographers. As an anthropologist, Skinner emphasized that a marketing system's social significance was no less important than its economic significance, and that a spatio-economic system was also a sociocultural system (Skinner, 1998: 49). If we see that Sun Village is both a center for the concentration and transfer of *dajin* production factors and also a distinctive sociocultural system; if we see not only the "distance costs" of economic activities but also the costs of transaction and production factors; and if we see the concentration and transfer of not only production factors but also various sociocultural factors and the mutual embeddedness of the economic and the social, then we can understand why Sun Village maintains its central position in the minds of thousands of goldsmiths.

Fei Xiaotong (费孝通) described the "Southern Jiangsu Model" (苏南模式) of economic development as "leaving the soil without leaving the *xiang* (离土不离乡) [*xiang*: village, township, or hometown]," and the "Wenzhou Model" (温州模式) as "leaving both the soil and the *xiang* (离土又离乡)" (Fei, 1984, 1986). The former referred to TVEs (township and village enterprises), and the latter to the hundreds of thousands of peasants from Wenzhou who became small-scale vendors throughout China. Here "soil" refers to agriculture, and *xiang* refers to one's hometown or village in a geographic sense. Sun Village's *tongxiang tongye* economy clearly involves "leaving the soil without leaving the *xiang*," in some sense, but not through the local establishment of TVEs, so neither of Fei's models seems to fit this case. If we expand the sense of *xiang* to include not only geographic but also social space, then we could argue that Sun villagers who leave the soil to pursue *dajin* outside their geographic *xiang* never actually leave their *xiang* in a social sense.

Moreover, Sun Village's goldsmiths actively return home for a combination of overlapping reasons: business, kinship, and social identity. In the process of doing business in urban areas, they closely depend on rural social networks such as kinship relations, creating an economic model different from the

currently popular market economy—a model based on the mutual embeddedness of social and economic networks. Their economic activities not only depend on rural social networks, but more importantly, the two activate one another, lending new vitality to rural traditions that might otherwise be regarded as remnants of the past.

5 A Countermovement against the "Hollowing-out" of Rural China

The "hollowing-out" (空心化) of rural China refers to the complete sucking-out of rural labor-power, raw materials, and money by industrialization and urbanization, the decline of agriculture, the outflow of labor-power, and the resulting inability of rural economy and society to reproduce itself and develop sustainability (see Wu, 2011). This hollowing-out has already become an irreversible trend because the tide of economic globalization cannot be stemmed. The essence of this hollowing-out is globalization and *quanguohua* (全国化, i.e. internal economic colonialism on a national scale),[5] that is, the capitalist mode of production's global and nationwide reorganization of production factors and "race to the bottom" regarding their prices. Economic globalization and *quanguohua* inevitably lead to the complete separation of the economic from the social: under capital's inherent pursuit of profit, any kind of production factor can be extracted from its former local background and reassembled in any place that can minimize costs and maximize profit, forming a heartless economic mutant.

In *The Great Transformation*, Karl Polanyi argued that there is a "double movement" between market and society. In his view, "market society" is shaped by the tension between these two types of movements: on the one hand, laissez faire capitalism's movement to expand markets, and on the other, protective countermovements attempting to re-embed economic activities into the totality of social relationships (Polanyi, 2007 [1944]). We have already grown accustomed to assessments of rural China's hollowing-out, and we tend to regard Polanyi's century-old prediction as a distant myth, but "the Chinese countryside" is too vast and diverse to be encapsulated within any single phrase. Along China's southeastern coast from Wenzhou (温州) down to Chaoshan, there are similar rural cultural traditions and sideline industries that have given rise to a unique pattern of economic activity in which peasants who have "left

5 *Quanguohua* (literally "nationwide-ization") is a term I coined to indicate something like internal economic colonialism or globalization on a national scale in large countries such as China characterized by regional disparities and dynamic but uneven capitalist development.

both the soil and the village" nevertheless despise wage labor and rarely go to work for large enterprises. Instead they prefer to undertake various *tongxiang tongye* enterprises in the informal economy throughout China and sometimes beyond, with the nuclear family or broader kinship networks as their unit of economic activity, like a flexible guerrilla army.[6] Sun Village's *dajin* industry is a typical example.

The vitality of *tongxiang tongye* economic activities expresses a countermovement against the hollowing-out of rural China. From an urban perspective, the countryside is merely a source of cheap labor and raw materials. When young people from Sun Village go to *dajin* in the city, they are not passively incorporated into the urban capitalist economic model as cheap labor. On the contrary, cities and towns throughout China provide another kind of production factor for Sun Village's dynamic *dajin* industry: a steady stream of customers and marketing spaces. It is the Sun villagers, then, who have used their local social networks to gradually concentrate the *dajin* industry's various production factors in the vicinity of Sun Village, break into the city, and then reorganize the city's own production factors. Over the past three decades, wave after wave of young Sun villagers have left to *dajin* in the city, but this has not led to the village's hollowing-out. On the contrary, with this industry's expansion, its production factors have dynamically developed in *Jiewai*, and the area's pivotal position in the industry has only grown stronger. Since the industry is deeply embedded in local social networks, its development has in turn stimulated the development of social capital and civil society. Perhaps this is the sort of re-embedding of economic into social development that Polanyi predicted, and perhaps the *tongxiang tongye* economic model could be called a "social economy" as opposed to a market economy.[7]

Sun Village lies in *Jiewai*—an area that has historically been peripheral in geographic, social, and cultural senses. Today, its *dajin* industry is regarded in "modern" capitalist discourse as a backward, marginal, and unfashionable economic form. It thus seems difficult for Sun Village to shake off its peripheral (*jiewai*) role. This, however, is far less important than the possibilities that such alternative economic practices offer for escaping from the presently dominant political-economic structure.

6 On "informal economy," see Huang, 2009.

7 On "social economy," see "Shehui jingji zai Zhongguo" (Social economy in China), parts 1 and 2, *Kaifang Shidai* Issues 1 and 2 (2012), and the special section of Issue 6 (2012) on "social economy."

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CHAPTER 3

Social Ties and the Market: A Study of Digital Printing Industry from an Informal Economy Perspective*

*Tan Tongxue***

1 A Spectre Appears in the World of Speed Digital Printing

Anthropology, which helps us to "set our gaze" upon different cultures, warns us to think about whether we "look at" but do not "*see*" those things that are right in front of us because they are overly familiar. Taking the subject of this research as an example, this kind of concern is clearly not unwarranted. I first began investigating the speed digital printing industry in 2001. At that time my research was based in Wuhan (武汉), a city in central China. The immediate reason for beginning these investigations was that the price of services in typing and photocopying shops caused the majority of students, including me, to stop in our tracks. For example, at the beginning of 2001, the various prices of the main services of typing and copying shops were as follows:

(1) Inputting text was ¥5 per 1,000 Chinese characters. In 2001, the price of this service was ¥3. In comparison with other services in 2000, the price of this service was not high. The reason for this was that the majority of students found it difficult to shoulder the expense of the costly printing services, and instead would choose to use a computer to proofread repeatedly until they were sure that there were no mistakes, and only then would they go to the typing and copying shop to print it out. This kind of coping strategy was very much common amongst university students.

(2) There was also another method of pricing for inputting text: inputting text plus proofing the typesetting was ¥5, based on one page of A4 using size 4 Chinese characters. The pricing method of this type of service

* Information within this article that touches upon the privacy of those participating in the study (for instance the names of participants) has already been dealt with in accordance with academic standards. The original text appeared in *Open Times* (2012, No. 6).

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meant that the actual cost was around 1.2–1.5 times that of the service described above (the price of the two should be roughly the same, but the member of staff charged with the typing would select a 1.2 or 1.5 line spacing option, which meant that each page would hold fewer characters). Those customers that paid for this type of service usually did so because they were computer-illiterate and did not know how to input text, let alone the different typesettings, thus giving the typing staff the opportunity to use this skill barrier to "cheat" them on price.

(3) To print pre-typeset word documents, per A4 page (in black and white) was ¥1. If a word document included colour text, it would be ¥5 per page.
(4) To print pre-typeset word documents that included images, per A4 page (in black and white) was ¥2 (the reason for this was that including images would use a relatively large amount of ink). If the document included colour images then the price would be ¥7–10.
(5) To print a pre-typeset B5 word document (in black and white) was ¥0.6 per page. If the document included colour text, it would be ¥2 per page.
(6) To print a pre-typeset B5 word document that included images (in black and white) was ¥1. If the document included colour images, it would be ¥3–5 per page.
(7) To photocopy an A4 word document (in black and white), it was ¥0.5 per page.
(8) To photocopy an A4 word document with images (in black and white), it was ¥0.6–1.0.
(9) To photocopy a B5 word document (in black and white), it was ¥0.3 per page.
(10) To photocopy a B5 word document with images (in black and white), it was ¥0.5 per page.

(In 2001, the vast majority of typing and photocopying shops in Wuhan were unable to provide colour-printing services. It was even rarer that a shop would be able to provide colour photocopying).

The people running typing and copying shops would often complain that they actually didn't make very much money because their production costs were too high. Their so-called "high costs" were not made up of high wages for the staff employed to do the front-line work, nor were they due to expensive materials for typing and photocopying. Rather, they were mainly a result of the high prices of the machines themselves, the cost of their repair, and the fact that the machines aged quickly. To purchase a black and white photocopier imported from Japan was over ¥100,000. To buy a machine that could both

print and photocopy, one must spend almost ¥200,000 (this was more than the average price of a 100m² apartment in Wuhan at that time). The moment this kind of precision instrument experienced stoppages or faults, the cost of getting an expert to come and fix it would be calculated at ¥100–200 per call-out, or ¥300–500 per hour. Then there would be the cost of replacing parts. These costs were high. Ordinarily, after three to five years of use, a photocopier would become obsolete.

However, whilst the operators of these shops had their complaints, it was without doubt that their gains were still quite considerable. I carried out an interview with Mr. Zhang (a Wuhan local), who was the boss of a small typing and copying shop within the campus of Central China Normal University (华中师范大学). According to Zhang, a small shop of over 10m², with one printer, one photocopier, and two typists, could produce around ¥50,000–80,000 net profit per year (he also added that should they be able to secure the orders of government departments or large enterprises, then their profit would be even higher).

However, it just happened that in 2001 the majority of the owners who had already operated in the typing and photocopying business in Wuhan for many years became immersed in a "Waterloo." Beginning in the autumn of that year, operators new to the typing and photocopying business in Wuhan began to appear and create huge shock waves by cutting prices. Again and again, the prices of those services described above fell. For example:

(1) Inputting text, beginning in September, fell to ¥4 per 1,000 characters. By the end of the year this was ¥3. The phenomenon of the "cheat's" price of inputting text disappeared.
(2) Printing a black and white pre-typeset A4 word document (irrespective of whether it included images) dropped to ¥0.5 per page. By the end of the year, this had fallen to ¥0.3 or even ¥0.2 for a bulk printing order (over 100 pages). In the end, by summer 2002, the price had fallen to ¥0.15 per page, and ¥0.1 for bulk printing. Should the word document contain colour text, the price would be ¥3 or ¥2 respectively, and by summer 2002 it was as low as ¥1.5.
(3) The price of printing a black and white pre-typeset B5 word document (irrespective of whether or not it included images), fell to ¥0.4 and then ¥0.2. Should the word document include colour text, the price was ¥1.5 and ¥1.0 respectively.
(4) To photocopy an A4 black and white word document (irrespective of whether or not it contained images), the price fell to ¥0.3 per page, and by

the end of the year it had dropped even further to ¥0.2. For copying in bulk the price fell to ¥0.15 per page. In the end, by summer 2002 each page was only ¥0.1, and if you were copying in bulk it was ¥0.08 per page.

(5) To photocopy a B5 black and white word document (irrespective of whether or not it contained images), the price first fell to ¥0.2 per page, and then by the end of the year it had dropped further to ¥0.15. In the end, by the summer of 2002, the price was as low as ¥0.1 per page, and for bulk copying it had fallen even further to ¥0.08.

(The operating model at this time had also undergone great changes, for instance, the people running the shops were responsible for going to clients in person to find business, and after completing the text inputting, printing, copying or binding work, they would deliver the product to the client).

I was told that the operators that had appeared and begun these price shock waves all came from Xinhua County (新化县) in Loudi City (娄底市), Hunan Province (湖南省). So, why was it that these people from Xinhua were able to lower the cost to such an extent? At the time, within the Wuhan typing and copying industry, there were all kinds of stories being circulated. One of these stories seemed to make a lot of sense, and many people believed it. According to this story, the main reason these people from Xinhua were able to lower the prices was that they were able to fix printers and photocopiers themselves, and they could even buy up second-hand machines that had been discarded and use them in their businesses. It was the vocational middle school of their county that was providing the training for them to learn how to fix printers and photocopiers. Perhaps because everyone had become so familiar with this story or because those in the same industry had suffered the impact of the blow so suddenly that they had not had time to carefully look into it, very rarely did anyone make more detailed inquiries as to the original version. The theory of "educational advantage" or that of "technical advantage" became the cause drawn upon to explain these shock waves.

The result was that in less than ten months almost all those who had originally been in business in typing and copying across the whole city of Wuhan had been cast out of the market. After closing down his typing and copying shop, for the last time, Mr. Zhang complained to me: "Everyone says us Hubei people are a shrewd bunch. Who'd have thought that we couldn't compete with you Hunan people (I'm also from Hunan). You Hunan lot are just too good; you're basically like a bunch of spectres."

It really was a veiled metaphor that Mr. Zhang, who had been deeply influenced by Marxist teachings, should use the word "spectre" to describe those Xinhua people who worked in typing and copying. In fact, in 1999 and 2000, this "spectre" had already begun "floating around" Beijing (北京), Shanghai

(上海) and Guangzhou (广州). In the years following, the trend for reducing prices that they had started swept across almost every medium and large city in China. In September 2011, in Guangzhou, which is situated in the south of China, I interviewed a seasoned industry insider, Mr. Yi. He said:

> One thing we can say fairly arrogantly (proudly)—actually it's not in the slightest bit an exaggeration—is that in the "speed digital printing industry" in every city over prefectural level in China, over 90% of the people doing it (operating this type of business) are from Hunan. Amongst these Hunan businessmen, over 95% are from Xinhua, and of these Xinhua businessmen, around 80% are from two towns, Yangxi (洋溪镇) and Chaxi (槎溪镇), or at least are relatives or friends of people there.

Of course, the statistics provided by Mr. Yi were only estimates. Due to the difficulty of gathering statistics, we have no way of knowing the precise number of people working within this industry.[1] However, through Mr. Yi's "arrogance," we can gain a general idea of the overall picture that people from Xinhua already occupy an important place within the speed digital printing business in China at present.

2 Embedding Familial Ties, Friendship and Local Ties into the Market

Since 2001, whenever I came across typing and copying shops, I would always inquire as to what was going on in the industry. On the basis of our being "from the same place," people who were working in the typing and copying business and I, a customer, easily became friends and built up a kind of cooperation that had more of a feeling of familiarity to it. As we got to know one another better, I became increasingly aware of how familial ties, friendship and local ties played an extremely important role in doing business in typing and copying for

1 There are also reports claiming that people from Xinhua make up 50% of the national market in typing and copying; they account for 65% of those doing business in repairing second-hand photocopiers and printers; they have an annual output of over ¥10,000,000,000, and that there are over 100,000 people from Xinhua doing this work (see Liu Jian'an, "Embodying the Dream of over a Hundred Thousand People, Xinhua's Speed Digital Printing Holds High its Dragon's Head", Loudi News Website (*"ningju shi wan ren mengxiang Xinhua shuma kuaiyin angqi longtou", loudi xinwen wang*) http://www.ldnews.cn/news/loudi/thenews/201107/20110706201252_2.html (accessed on 6/7/2011).

the people of Xinhua.[2] They had built up a huge network of mutual assistance. When I met Mr. Yi in Guangzhou in 2007, I became all the more certain of this. When I mentioned a typing and copying shop's boss in Wuhan, Mr. Yi would immediately say that he knew the boss really well, and that they were distant relatives.

The above information, which somewhat appears to be inconsequential or even inaccurate (as it is akin to hearsay), is not drawn upon here to show the details or standards of my research, but rather to explain that this group has relatively stable boundaries. It can be seen that throughout more than a decade they have maintained high levels of stability in terms of local ties. It is also perceptible that this group, wittingly or unwittingly, are protecting "secrets" that were already common knowledge within the group.

Aided by my identity as a "person from the same place," a "younger brother," a "frequent customer," and a "researcher," I finally gained treatment from Mr. Yi as "one of his own." Mr. Yi explained to me his own history and that of the industry.

From Mr. Yi himself, I learned that Xinhua County had never had a so-called vocational middle school that specialised in typewriter and photocopier repair training. That is to say, the theory about Xinhua people's "educational advantage" in the rumour was not the real story. In the same way, the "technical advantage" theory was also not exactly correct. In Mr. Yi's opinion, the magic weapons that secured them victory were their familial ties, friendship and local ties. Their technical advantage was just an added strength ("like wings added to the tiger") that emerged later, and it was connected to these networks of familial and local ties rather than existing independently in its own right.

According to Mr. Yi, to explain Xinhua people's advantage in the typing and copying industry, we would have to begin with the 1980s, whilst their advantage in the speed digital printing business was established in the late 1990s

2 In recent years, Guo Xinghua et al. have also been focusing on the "Phenomenon of Xinhua People" within the typing and copying industry. Their perspective, for the most part, tends towards the impact of local ties on the movements of migrant workers and of urban experiences on the behaviour of migrant workers; their work is rich with clear insight into the social identities of the migrant population (see Guo Xinghua et al. *Drifting and Seeking Roots: A Study on the Social Identity of the Migrant Population*, 2011, pp. 34–84, China Renmin University Press (*piaobo yu xungen: liudong renkou de shehui rentong yanjiu*). In contrast, what this article seeks to emphasise is the market significance of local ties on a macro-level, whilst at the same time stressing the economic impact of familial ties and friendship on a micro-level in businesses. Further, overall, what this article does its best to place analytical emphasis upon are the mechanisms of family and local ties and the market embedding themselves into one another, and the effect of this.

(Mr. Yi treated the "typing and copying industry" and the "speed digital printing industry" as two development stages, which were essentially different, though connected).

At the beginning of the 1980s, in the towns of Yangxi and Chaxi that lay next to the Hunan Provincial Highway 312 (湖南 312 省道), a certain number of people taught themselves, excelled, and went on to gain a lot of practical experience as technical workers (the majority were from Yangxi). They began to fix a certain brand of typewriters (named Sitong) in a downtown district of the county-level city of Lengshuijiang (冷水江). As for who it was that first brought these kinds of repair techniques to Yangxi and Chaxi, which are far from the city, it seems to be difficult to draw a clear conclusion. One story goes that a veteran, who had served in the army in Beijing, brought these skills back to his hometown Yangxi. Another story is that people went to typing shops in cities like Changsha (长沙), Loudi and Lengshuijiang, worked there as apprentices and later took their skills back to the town of Yangxi. Another story is that people from Yangxi came up with the repair techniques through their own explorations. In the ten interviews I conducted with people working in the speed digital printing industry, none of the interviewees was able to judge precisely which one of these explanations had the most truth to it. For the most part, they tended to think that "these questions have no clear answers. Nor are they important." Instead, what they usually placed most emphasis on were stories of "relatives guiding relatives, and neighbours guiding neighbours" in setting up businesses. Thankfully, it was not the origin of the industry with which I was concerned either.

From the mid 1980s to the mid 1990s, more and more Yangxi and Chaxi junior high graduates and even those drop-outs began to join the ranks of Sitong typewriter repair workers. That was the result of a number of factors, such as the income from farming being too low, rural people's burdens gradually growing heavier, tuition being too high, and the increasing speed with which the population was on the move. In terms of their spatial distribution, they began to increasingly spread further afield, going to Changsha, Shanghai, Beijing and even cities that Xinhua people traditionally viewed as distant places, such as Harbin (哈尔滨), Urumchi (乌鲁木齐) and Kunming (昆明). During that period, there were three ways of doing typewriter repairs. First, if the shop was on the slightly larger side, repairers would provide services at that fixed space. Second, if the shop was too small, or if there was no shop at all, repairers would take their services to the customers (within the industry this is known as "running a moving service"). Third, repairers would adopt both fixed services and "running a moving service." People who opted for the first model were usually those who had entered the industry earlier and had a

certain amount of financial capacity. Those who went with the second model were usually latecomers to the industry or lacked finances.

During this stage, familial ties, friendship and local ties played a crucial role in the development and spread of specialist skills among these people from Xinhua. First, when hiring other technicians, the operator, who usually also doubled up as a technician, would give special consideration to close relatives and friends. After this, priority would go to those who were not close relatives but were from the same clan, and those related through marriage. Then there would be distant relatives and common hometown fellows.

Second, when it came to skilled technicians' taking on apprentices, these principles of familial ties, friendship and local ties would be observed in the same way. The parents and family members of apprentices also totally supported this way of doing things, as they could rest at ease handing their offspring over to relatives or hometown fellows to work and live together (free lodging and food for apprentices). Also, normally, after learning for around a month, apprentices were able to begin putting into practice what they were learning, and after a year they could finish their apprenticeship.

Third, the most important channel for operators to exchange business expertise with one another was the networks of relatives and hometown fellows. So it was for skilled technicians to exchange techniques. Before these people left their hometown to work, rarely had they been to other places, which meant that their networks of friends were usually included in the network of hometown fellows. They would achieve the exchange of experience and techniques in everyday interaction, which was part of maintaining relationships with relatives, friends, and hometown fellows.

Finally, in terms of the supply of spare parts, people from Xinhua would also rely upon their networks of relatives and hometown fellows, for in this way they could provide one another with what they needed at a low cost. As a result, compared with other operators and technicians, business expertise and new techniques spread through the networks of relatives and hometown fellows extremely fast and at exceptionally low cost. This advantage helped to make up for the weakness that their level of schooling was not high, enabling them to gain a position of real weight within the typewriter repair industry.

In 1995 and 1996, with the emergence and expansion of the microcomputer market, those from Xinhua who were in the typewriter repair business met with the "calamity of calamities": in only two years, Sitong typewriters had been almost entirely eliminated. However, they did not flinch. They stood up to the difficulty and began attempting to fix ink jet printers and even laser printers and money-counting machines. With this as their foundation, they struggled their way to setting root in the cities.

From the latter half of 1996 to 1997, the people from Xinhua "inevitably" came across an opportunity "by chance." A man named Wang, a repairman from Yangxi, had bought up many "waste" photocopiers from the junkyard of a hardware store in Nanhai, a city in Guangdong Province (it was later confirmed that those used photocopiers had been cast off by a Japanese). Unexpectedly, after undergoing repair, the machine could be used as normal. After this, he spent ¥600 per ton on a great amount of "waste" photocopiers and set about fumbling around to repair them. When he occasionally was able to fix one of them, he could sell it for around ¥10,000 to his friends, relatives or people from his hometown. Following this, one by one, more of his hometown fellows achieved "chance success." In 1997, not a few people from Yangxi and Chaxi began to find people to translate the Japanese instructions for the photocopiers, referring to the instructions to take apart and reassemble the "waste" photocopiers and printers bought by tons. Combined with the role played by networks of relatives and hometown fellows, all sorts of scattered repair techniques began to spread, collide with one another, merge, and improve. According to the master who taught Mr. Yi, by around 1998 or 1999, people from Yangxi and Chaxi had already basically grasped a complete set of fully matured skills and were able to turn "foreign rubbish" into copiers and printers that could be reinvested in for use. It was from this time that the first set of people who had mastered these skills began to split up and move to different areas. For instance, after gathering millions of *yuan* in capital, Wang changed industries, developing mining businesses in Yunnan (云南), Guizhou (贵州) and elsewhere. Others went to Japan to specialise in recovering used photocopiers and printers, then selling them off wholesale in Guangzhou, Shanghai and Beijing.

In 1999, like a great many other young people, Mr. Yi from Yangxi went to Beijing to "run a moving service," but after working for three months, he changed industries because the income was too low. Then, he went to work at a steel plant for two months. At the end of the year, he returned to his hometown for the Chinese New Year. Mr. Yi went to visit his master, whom he had followed for many years learning martial arts, to wish him happy New Year. His master had opened his own typing and copying store in a foreign trade building in the Tianhe (天河) district of Guangzhou. So from 2000, Mr. Yi began at this store as an apprentice, with a monthly salary of ¥300. Mr. Yi was very smart. Since he was married, he had the pressure of supporting a family. As a result, he quickly managed to grasp all of the technical skills and gained business expertise. In 2001, Mr. Yi's master gathered a large amount of capital and moved over to the catering industry. He wanted to invite Mr. Yi to work at his restaurant, but Mr. Yi did not take him up on the offer, staying instead at another typing and printing

shop belonging to his master on Cangbian Road (仓边路) in Guangzhou. Not long thereafter, a cousin of Mr. Yi, who had just finished a sentence and been released, came to Guangzhou. This cousin, Mr. Yi's elder brother and Mr. Yi himself became partners in taking over the shop. After some time, they had a falling-out, because the cousin wanted to go into business alone but Mr. Yi did not agree. As a result, Mr. Yi went to several of his "frequent clients" (PhD candidates from University S), through whom he became acquainted with a dorm superintendent. At a cost of ¥600 per month in rent, he turned one room, which was also a grocery store, into another small typing and copying shop.

Through networks of relatives (including those related by law) and hometown fellows, Mr. Yi was able to acquire relatively cheap machines and materials. He once said: "Machine repair relies half on money and half on fellow feelings." The exchange of management expertise and technical skills was also extremely convenient. After the three years it took to complete his accumulation of initial finances, Mr. Yi began to purchase modern equipment, such as a colour printer and photocopier, an electric cutting machine, and a binding machine. His profits did not mainly come from conventional printing and photocopying, but from colour image production, printing and copying, entering a stage that he referred to as "the speed digital image and text printing industry" (shortened as the "speed digital printing industry").

From the history of how people from Xinhua came to be in the speed digital printing industry and typically the individual case of Mr. Yi, it is not difficult to realise that the technical advantage that enabled them to eliminate their competitors did *not* come from education, but from their networks of familial ties, friendship and local ties. This can explain the cases of failure I came across in the investigations. For people who went to a school or college to learn repair skills, if they were not from Xinhua and were unable to enter these networks of Xinhua, they basically ended up being pushed out of the speed digital printing industry. To put it another way, after people from Xinhua had embedded familial ties, friendship and local ties into the market, they reduced both the cost of learning and that of doing business, swiftly extinguishing the market competitiveness of other operators. This is where the "spectre" of the speed digital printing industry lies.

3 Familial Ties, Friendship and Local Ties and Enterprise Involution

Aside from lowering costs to increase market competitiveness, the networks of familial ties, friendship and local ties also played a positive role in internal management and in increasing work efficiency. In the following section, I

will take two different models of operation and undertake a little analysis of them.

The first model is the small-scale shop. Usually, it consists of a husband and wife plus one or two apprentices or formal workers who are close relatives. Normally, the equipment would be fairly simple. Typically, this might be one to two computers, photocopiers, printers, one binding machine or merely one hand-operated book-threading machine, and one hand-operated cutting machine. They would only have the capacity to provide text inputting, printing, copying and simple binding services. This was referred to as a "typing and copying shop" by Mr. Yi and other industry insiders.

The second model was the relatively large-scale shop, which might even include branches in addition to the main shop. This was usually run by a husband and wife plus several close relatives who were core to the business, and then there would be some distant relatives and hometown fellows or even a few tens of them, working as apprentices or ordinary staff members. This type of shop would be more fully equipped. Typically, this would at least include over five or even a few tens of computers, printers, copiers, more than two binding machines, more than one intelligent cutting machines, pressed film-packaging machines, more than two high definition colour printers and photocopiers, broad width colour image output equipment and so on. This was referred to as a "speed digital image and text printing shop" by Mr. Yi and other industry insiders.

Of course, there were others who were operating on a scale and with equipment that fell between the two. Mr. Yi said that it was not easy to categorise this type of shop, and anyway, these categories were not absolute. However, at the same time he emphasised that the first kind of shop was equivalent to a small workshop, whereas the second kind was a formal enterprise, and the difference in nature between the two was great. During my interviews, Mr. Yi enumerated several important signs that could show the difference between the two. The first type of shop was often unable to provide its customers with a formal receipt because the scale of the shop was too small, whereas the second type, as long as the customer was willing to bear the additional cost incurred for tax, was able to provide this formal receipt. The first type of shop was often unable to accept payment by bank transfer as it was not a registered enterprise, whereas the second type of shop did have the capacity to do so. Then, due to its limited floating capital, the first kind of shop often would ask the customer to pay up front, whereas the second kind of shop was able to charge work to an account for its "frequent customers," particularly for *danwei* (单位 work units), and they would settle the account in a single transaction after a month, a season, or even a year.

In the first type of shop, it was usually the wife of the boss or the apprentices that took care of the printing and photocopying, while the boss would be in charge of binding, cutting, and going to clients to collect and deliver work. Since there were very few staff members, their relationship was very close. A typical example of this type of shop is the Gold Printing Shop, at which I undertook research several times between 2008 and 2011.

The surname of the Gold Printing Shop's boss is Huang (in Chinese, the Chinese character of this surname also forms part of the word *gold*). He himself and his wife were both from Yangxi in Xinhua County, and at the time when I wrote this article, he was 30 years old. In 2005, both husband and wife left the shop of a hometown fellow and rented a space only several metres squared in between and underneath sets of stairs at the vegetable market next to University S. It was here that they started up their business. To make the most of the set-up of the space between stairs, they put the photocopier right up next to the door (for they have to stand by the photocopier to operate it), whilst the computer, printer, scanner and binding machine went under the stairs, at which they were only able to work by sitting or squatting. Also underneath the stairs, they put a small bed for Mr. Huang to use at night-time when he was watching the shop. They had employed (or guided) three other people. One of these was Mr. Huang's niece of 15 years old, who did not finish junior high and began to work as an apprentice at the shop in 2007. By 2008, she had already been able to independently provide common typing and copying services. Another one was the younger female cousin of Mrs. Huang on her father's side. In 2005, she began her work at the shop as an apprentice and left in 2007. The third was a distant relative of Mrs. Huang, who began as an apprentice at the shop at the beginning of 2010, and she has been working there to this day.

Seen from many aspects, the relationship between the Huang family and their staff was not just a pure boss-employee one. First, the "boss" did not seem much like a boss. For example, Mr. Huang and Mrs. Huang would eat together with their staff. In the evenings, Mr. Huang would sleep in the shop underneath the stairs, whilst Mrs. Huang would take their child and the two members of staff to sleep in the room they rented in an undeveloped part of the city. Every year, Mrs. Huang would buy clothes, shoes or other items of daily use and give them to the staff as "gifts" rather than as "rewards." As the members of the staff were still very young, Mrs. Huang would often act like an aunt or a big sister to them, teaching them certain things about physical health and helping them handle the troubles of adolescence. When they fell ill, she would act like a parent, accompanying them to see a doctor and looking after them.

Second, the "staff" did not seem much like staff. For example, one of the reasons that Mr. Huang's niece went out to work without having yet completed junior high was that one of his members of the staff had resigned and he urgently needed a replacement worker. Outside working hours, the staff would often help Mrs. Huang to look after the child and even tutor the child in homework, English and math. During these times, they seemed more like nannies, relatives that had come from the countryside to take care of the child, or home tutors. In terms of the form of addressing, they would stick to the way they would address relatives in addressing Mr. and Mrs. Huang. They did not have a formal contract with their employer. There were no specific regulations as to the intensity of their work and working hours, nor did they have fixed days off. During my interviews, in relation to this they all said: "This is totally normal, helping out your own family. How can we quibble over every little detail? When there's work to be done we're busy, and when there isn't any we have more free time."

In the second type of shop, owing to the relatively larger scale of the operations, there was a clearer and more professional division of work and a rudimentary hierarchical management system. However, at the very core, it was still possible to see that the basic framework was the network of familial ties, friendship and local ties. Mr. Yi's speed digital image and text printing shops could be considered as typical examples of this type.

According to Mr. Yi's rough estimate, from 2001 to 2011, his speed digital image and text printing shops had employed over 100 members of staff. Aside from a very few exceptions, these staff members were all relatives or people from their hometown. Particularly, when it came to the core of the business, without exception they were all close relatives of either his or his wife's. To be more specific, the division of work and the relationship were as follows (for the details of the relationship, see Figure 1 below):

1) Mrs. Yi (her surname is He): She is in charge of the main shop's financial affairs, looking after their child, and assisting He Li in coordinating the daily business of the main shop.
2) He Li, the younger sister of Mrs. Yi: Aside from the latter half of 2010 when she returned home to get her marriage license, from 2002 until the time of writing, she had been the manager of the main shop. Her skills in printing, copying, manipulating images and editing were the best in the shop. Her interpersonal skills were flexible, and she was Mr. and Mrs. Yi's most competent assistant. She was responsible for the management of daily business in the main shop, and the "teaching, helping and guidance" of

new workers. Aside from Mr. and Mrs.Yi, she was the only person authorized to discuss large bodies of work with clients and to settle payments.

3) Yi Mei: She is a younger female cousin on Mr. Yi's father's side of the family, although falling outside of the "five generations" often considered by Chinese people to make someone a relative. From 2002 until 2007, she assisted He Li in coordinating the daily business of the main shop. Her printing, copying, image manipulating and editing skills were second best to those of He Li.

4) Old Yi, Mr. Yi's elder brother: He is in charge of Mr. Yi's Tianhe branch. He had a small share in the shop (Mr. Yi was not willing to disclose the proportion). He knew how to output broad-width colour images. Aside from operating the daily operations of the Tianhe branch, he was also responsible for taking on large colour image printing jobs from the main shop and other branches.

5) Bai Yong, the son of Mr. Yi's elder sister: His strength was in repairing photocopiers, printers, cutting machines, binding machines, pressed film-packaging machines and so on. He had basic skills in printing, copying, binding and pressed film-packaging. His main responsibility was the repair and upkeep of the machines at the main shop and the branches. He was also responsible for going to clients to collect and deliver work for the main shop. In the evenings, he watched over the main shop. Occasionally, he would also do binding, cutting and pressed film-packaging work.

6) Luo Jun, the son of Mr. Yi's paternal aunt: He mastered basic skills in machine repair, printing, copying, binding and pressed film-packaging. He was formerly a worker at the main shop. Occasionally, he would be responsible for going to clients to collect and deliver work. In 2009, Mr. Yi opened a new branch outside one of the gates of University S, and Luo Jun and his girlfriend were in charge of the daily operations of that shop.

7) Old He, the elder brother of Mrs. Yi: He only had skills in binding and cutting. Aside from binding and cutting, he was mainly responsible for going to clients to collect and deliver work. In 2010, after Mr. Yi opened a new branch in the teachers' living quarters of University S (he had the greatest share in this branch, although he was not willing to disclose the proportion), the wife of Old He became responsible for the daily operations of this branch.

8) Yi Ju, a female cousin of Mr. Yi's on the father's side of the family: Her printing, copying, image manipulation and editing skills were all relatively good. From 2006 until the time of writing, she had been responsible for the daily operations of a branch opened by Mr. Yi in the Humanities office building of University S.

9) He Liang, a female cousin on the father's side of the family of Mrs. Yi: Her printing, copying, image manipulation and editing skills were all relatively good, and she had flexible interpersonal skills. For a long time, she had been in charge of an important branch in Shanghai belonging to a proprietor named He, and during the period when He Li went back to her hometown to get her marriage license, He Liang went to Mr. Yi's main shop to take over all of He Li's work.

Relatives and hometown fellows not only propped up the basic framework of Mr. Yi's enterprise, but also served as the magic weapon that enabled him to achieve greater efficiency. To address Mr. and Mrs. Yi, the staff all used the terms they would use for relatives. It was only when joking or evading the requests of customers that they would address them as "boss" and "female boss." The staff had one fixed day off every two weeks, but if there was a lot of work on, they would proactively alter this day off. Overtime was something common to them. Basically, each month there would be at least one or two days when they would work throughout the night, working over 20 hours. However, no one demanded the pay for overtime as it is stipulated in the Labor Law (劳动法) or other official regulations, let alone simply refused to work. Bai Yong's decline

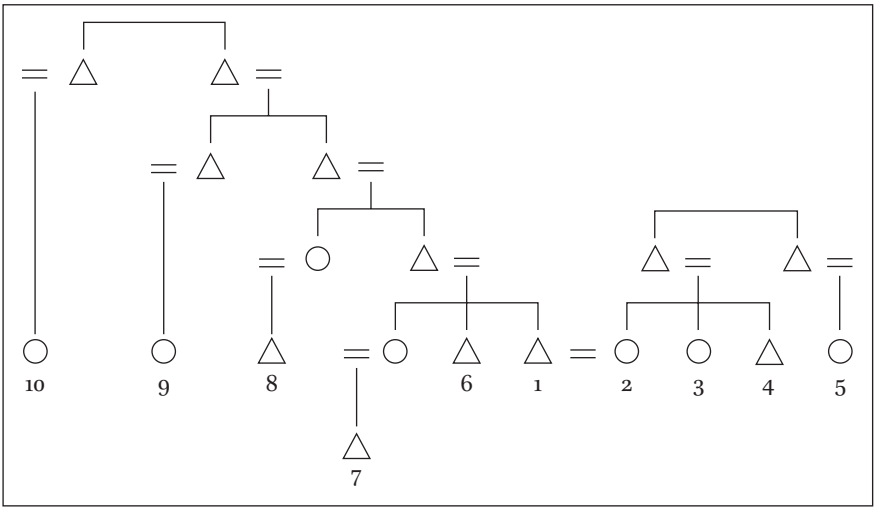

FIGURE 3.1 *The Kinship Relationship between the Staff Members of Mr. Yi's Printing Shops.* **Legend:** △ *male;* ○ *female;* = *husband and wife relationship;* / *parent and child relationship;* ∩ *brother and sister relationship; 1 Mr. Yi; 2 Mr. Yi's wife; 3 He Li; 4 Old He; 5 He Liang; 6 Old Yi; 7 Bai Yong; 8 Luo Jun; 9 Yi Mei; 10 Yi Jun*

of tip is a good case in point. One day at one o'clock in the morning, a certain customer woke Bai Yong, who was watching the shop overnight, asking him to hurry a job. Bai Yong worked right up until eight that morning. The customer wanted to give him ¥100, calling it money to buy a late-night snack, but Bai Yong politely declined the money, saying that he and Mr. Yi were family, and it was only right that he should work hard.

If we look at the overall picture of the two different models of shop respectively belonging to Mr. Huang and Mr. Yi, there is a great difference between the scale of work they take on and the level at which they work. However, as a result of their relationships through familial ties, friendship and local ties, they were both able to overcome the bureaucratic trappings of a hierarchical system—in terms of Mr. Huang's small shop, perhaps we cannot even refer to hierarchical management. Indeed, in terms of the high efficiency of internal management and labor, the two types of shop were in fact exactly the same. To some extent, almost all of the staff would do everything they could to satisfy customers' need, and they invest more of their labor without worrying about the hard work or even the pay. From the perspective of the relationship between industry development and labor investment, these were precisely the characteristics of "involution,"[3] and these characteristics were the result of the embedding of familial ties, friendship and local ties into the market system.

4 Embedding the Market into Familial Ties, Friendship and Local Ties

The embedding of familial ties, friendship and local ties into the market created a warm side to the Xinhua speed digital printing industry, so that to a certain extent the shops seemed like big families. However, if we only look at this side of the issue, it would cause a picture warped by idealism and romanticism. In reality, from an industry perspective, this is after all, a market. From the perspective of the operating entity, whether they were a typing and copying shop or a speed digital image and text printing shop, in the end they were still market entities.

First, in terms of the relationships inside a market entity, familial ties, friendship and local ties have never replaced the employer-employee relationship. In

3 The term "involution" was used by Geertz to refer to the "self-defeating" process of Javanese agricultural workers, who achieved the aim of raising income by constantly increasing their investment of labor (Clifford Geertz, *Agricultural Involution: The Process of Ecological Change in Indonesia*, 1963, p. 80, University of California Press).

small shops like the Gold Printing Shop, it was very obvious that internal management was not particularly formal. In the words of Mr. Huang himself, Gold Printing Shop was a "mountain village" ("山寨"). Even so, the basic management procedures still existed. For example, in terms of wages, the two sides had already come to an agreement early on: during the period of apprenticeship it would be ¥500–600 per month, and after finishing the apprenticeship and "formally participating in work," it was ¥1,000 per month. Once they became an experienced worker, which would usually take a year after they completed their apprenticeship, this would increase to ¥1,500. Due to the lengthy period, if we make deductions for increasing commodity prices, the employee would feel the "shrinking of real wages." In terms of work procedures, the boss also had a set of regulations for the worker. Since the boss and the staff all worked together, in practice this achieved the effect of supervision of the whole labor process. During the process of my interviews, Mr. Huang's three workers all complained that their work was too tiring. When I teasingly reminded them they could "think of ways to slack off," one after another they replied: "With the boss and his wife right next to us, it's hard to slack off. Besides, we are relatives after all. Since the boss has arranged all of the work, even if you're not happy about it, you just have to restrain yourself and forget about it." In other words, to a certain extent familial ties, friendship and local ties were being utilized as a management tool.

The market and these familial ties, friendship and local ties were so complicatedly interwoven that the unilateral attempt to remove the market or employment relationship would often damage the relationship based on familial ties, friendship and local ties. For example, when Mr. Huang's first employee sought an excuse to quit, Mrs. Huang was unhappy, believing that this displayed a lack of concern for their familial ties, friendship and local ties. She said: "This girl (the employee) didn't give a second thought to the monk (the ordinary worker), and she didn't give a second thought to the Buddha (the boss), either. She just said she was leaving and she was off, forcing us to frantically look for someone to help out. The time we had was too tight, for it wasn't easy to find someone suitable. In the end there was nothing we could do but to get that niece of his (Mr. Huang's) who still hadn't finished junior high to come over. There was nothing else we could do. At a critical time, you had to rely on your family, and only your own families are reliable." The underlying meaning of her words was that she would no longer view this first employee, who was a relative of them, as "one of the family."

As for Mr. Yi's speed digital image and text printing shops, the management was far more formal. Aside from a relatively clear division of work, Mr. Yi gave his staff fixed working procedures and regulations, including the

duty schedule for the cleaning in the shops. There were also branch shops for Mr. Yi to administrate. Then, he was mainly in charge of purchasing raw materials, the comings and goings of large projects, and social networking. So, it was not possible for him to be with all his staff on a regular basis. Due to this, in both his main shop and the branches, he had installed surveillance cameras, the scope of which covered practically every last corner. In front of his staff, the reasons he gave for this were: first, it makes it convenient to monitor and control the procedures in the shop, to prevent anyone seizing the opportunity to steal when there are too many customers in the shop for the staff to look after; second, it makes it convenient for the main shop and the branches to exchange between them. However, all the staff members were clear about the third function of the surveillance cameras: the boss could use them to monitor their work. During interviews at the main shop and several of the branches, all of the staff members that I came across replied along the lines: "It's not possible for Mr. Yi to look at the recordings every day, but occasionally he will pick some out to have a look, and if he finds that any staff member has been slacking off, he will give him a telling off."

I once came across Mr. Yi when he angrily gave his staff a telling off. The rules upon which he criticized his staff were, of course, those of the formal management system. After he finished his criticisms, he said: "It's only because we're relatives that I had a go at you. You're my relative, so I don't beat around the bush with you. You don't need to feel any embarrassment. If you weren't my relative, I would say nothing. If I really thought that a person was no good, I would just tell them straight to clear up their stuff and go away at once. You don't need to get upset about it, but work has got to be done properly." These "admonishing words" have to them a certain element of management "artistry." On the one hand, Mr. Yi expressed clearly that a distinction should be made between the employment relationship (public) and the familial ties or friendship ties (private). In managing a person's work, he was unable to slacken his demands just because of their familial ties. On the other hand, he attempted to draw on their familial ties to eliminate the element of tension in the management-worker relationship. This meant that he embedded the market mechanism into the network of familial ties, friendship and local ties, and made it play a leading role. At the same time, he also embedded familial ties, friendship and local ties into the market mechanism, but his aim was to make more efficient use of his employees' labor (whilst also maintaining the need of the market mechanism).

Further, the turnover of Mr. Yi's team of staff was rather high. Similar to a great many other industries in the Pearl River Delta, the speed digital image

and text printing shop demanded a deposit of one month's wages from its young workers. If a worker quit before having worked for a whole year, in accordance with the agreement drawn up at the time of employment, Mr. Yi would deduct one month's wage from his or her salary. This sometimes met with dispute. Mr. Yi said:

> If they merely play the cards of relatives or hometown connections with me, I won't even give them the time of day. If they do not play by the rules just because they're my relatives or hometown fellows, then I wouldn't be in business for long. Of all the workers here, who isn't a relative or come from the same place as us? There have been a few times when their parents called me from hometown and criticized me. I say to them: 'a nation has its national laws, and a family has its family rules. Which line of work doesn't have its own set of rules? It's not just my shops that take a month's wage as a deposit and even it's not just the typing and copying industry. There's no way I can return the deposit.' If they think that this is not right, pull a face and want to wash their hands of me as a relative or a hometown fellow, then fine, so be it! If there are sound reasons for them to resign, they just need to explain to me. That's another story. It's not a case that because I'm doing business I disown all my relatives and have no time for human feelings. For example, if one's health is not good and he need to go home to rest and get better, or if he need to go back home to get engaged, get married, or if one's parents are ill and he has to look after them, or if there's some urgent situation at home and there's no way for one to carry on working here and so on, all in all if only there's an acceptable reason, they don't even have to ask (to have their deposit returned), I would act of my own accord and quietly return it to them. But if they just job-hop after having acquired the skills or leave to go it alone in business, then of course I can't give it (the deposit) back to them.

Second, from the perspective of the relationships external to the market entity, familial ties, friendship and local ties have never been able to dispel relationships of market competition. Above, we have already seen that familial ties, friendship and local ties provide people from Xinhua working in the speed digital printing industry with a natural basis for mutual cooperation. They are the "secret weapon," allowing them to eliminate their competitors. However, networks of familial ties, friendship and local ties do not have unlimited space or effect. In many circumstances, the rules of the market will become embedded into familial ties, friendship and local ties and dispel their effect.

Take Mr. Yi's experience in the business as an example. The time he left his master's shop and began to operate relatively independently at Guangzhou's Cangbian Road, without question, he was beginning to invoke the rules of the market as far as it was appropriate for him to get around the disadvantageous restrictions that accompanied familial ties, friendship and local ties. Then, the reason that his master let him operate the shop at Cangbian Road, which is a great distance from the main shop in Guangzhou's Tianhe District, is that he wants to avoid direct competition with Mr. Yi's business. In other words, they were taking into account the importance of the rules of the market, but at the same time they were also doing their best to avoid these rules of the market causing harm to their network of familial ties, friendship and local ties.

Not long after Mr. Yi, his elder brother and his cousin had begun operating as partners on Cangbian Road, another apprentice of his master's also left to go it alone, deciding to set his business up opposite them on the same street. This type of competition caused their relationship as "brothers as students of the same master" to rapidly deteriorate. Soon after that, Mr. Yi requested that his master make this "younger brother of the same master," who was also from the same hometown, leave Cangbian Road. The street was managed particularly strictly. It was essential to obtain a special permit in order to conduct business there. A former military comrade of Mr. Yi's master, who worked in the Department of Industry and Commerce, used this as an excuse to make this proprietor cease his business operations there. However, less than six months later, a feud developed between Mr. Yi, his elder brother, and their cousin, because the cousin wanted to go into operation independently and wanted them to withdraw from the business. After the quarrel between the two sides, Mr. Yi had calculated that a split would not be completely detrimental, because he did not want to further damage the bonds between relatives, and then since he was in charge of outside contact, he had a grasp on a considerable amount of customers (particularly those from University S). Mr. Yi chose to give up his share in that business and began independent operations on the campus of University S.

After having enlarged and strengthened his business on the campus, Mr. Yi established his main shop in the basement of the university's Building H and also set up three branches in the university and its surrounding area. Without a doubt, there were also varying levels of competition between these operations and those of his hometown fellows, which came to University S or the surrounding area relatively late. For instance, when being interviewed, Mr. and Mrs. Huang said that Mr. Yi was the sort of person who was decent to people, and in the past they would often go and hang out at his shop; however, after

they started operating in the same line of business, they began to feel a bit awkward. Mrs. Huang said: "We have absolutely no way to compete with him, for we have too little capital and our equipment is too poor. The jobs that we take on are all the ones he thinks aren't worth bothering with. Now, sharing a bowl of rice is a bit different to how it used to be. . . . If I had to say what it (the problem) is, it's nothing really. Maybe we are just too busy and we don't have time to hang out together anymore."

If the "feeling" of Mrs. Huang about this competition was a little unclear, for in the end, she was more willing to use "too busy" to express the increasingly distant relationship between them as fellow hometown people, then the conflict that emerged between Mr. Yi and Mr. Wang, another proprietor whose business was next to University S, was blatantly obvious. Mr. Wang's shop was a little larger than that of Mr. Huang's, but in 2006 when he had just begun the business, he did not have a colour printer. From time to time, when Mr. Wang had a small amount of colour printing work to be done, Mr. Yi would "help out" and do the printing at slightly lower than the market price (there was still some profit to be made). This went on until one day when Mr. Yi realised that Mr. Wang had been handing out promotional business cards in Building H to attract clients. The teaching staff in Building H were seen by Mr. Yi as core customers for his colour printing services. As a result, Mr. Yi terminated this "helping out" relationship and also lowered his price for photocopying from ¥0.1 per page, first to ¥0.08 and then to ¥0.05—this was the same as the market price in the surrounding area, whereas previously the price within the grounds of University S had always been a little higher than that of off-campus area. This directly created a not insignificant crisis for Mr. Wang's shop. Mr. Wang said that he had gritted his teeth and borne it for about a year before finally seeing the end of this crisis. On this matter, Mr. Yi said angrily: "I often helped him out as we're from the same place, but it hadn't occurred to me that he would stick his hand through my own door. Where are the bonds between people from the same place? It was him that acted without benevolence in the first place, so I can't be blamed for acting unjustly after that."

At a higher level, the process of the market being embedded into networks based on familial ties, friendship and local ties may even be seen in tangible form. For example, on the 6th July 2011, in the conference hall of the Xinhua County People's Government, over 200 Xinhua people working in the speed digital printing industry came from all over the country to establish the Xinhua Speed Digital Printing Commercial Club. The County Party Secretary and the County Mayor were both in attendance at this meeting. The man in charge claimed that every year operations run by Xinhua people in the speed digital

printing industry produced the value of at least ¥10,000,000,000. He argued that the commercial club would establish a bridge to link government, business and the consumer, standardise the behaviour of the enterprises, and form a composite force and strengthen competitiveness by bringing together different kinds of resources. An example of this was the following: "To make group purchases from foreign companies will lower the cost by at least 10%."[4] In reality, however, not every business operator deep within this local network had the opportunity to enjoy such a channel for integrated resources. Mr. Yi, who was rumoured to be worth over ¥10,000,000, said: "The main founders are big traders with businesses in Beijing or Shanghai, so ordinarily a little proprietor like me wouldn't be invited along, but I've been good 'brothers' with several of them for years, so they did invite me to join them."

I have no way to judge whether Mr. Yi really had the clout to participate, for he modestly concealed the scale of his assets in the interviews. However, what we can determine is that for those Xinhua operators whose scale was not substantial enough, it was true that they did not have the capacity to enter this new network. On 4th October, 2011, whilst I were conducting research in typing and copying shops next to the grounds of Guizhou University (贵州大学) in the south west of China, one boss confided that he knew of the establishment of the commercial club, but he had not returned home to take part. He said:

> That's a game for the big players, we don't qualify. If it wasn't that we weren't strong enough, we wouldn't have been squeezed out in the first place, ending up in a faraway place like this to put food on the table. . . . In fact, in the future, as their costs become lower and lower, the competition will become increasingly formidable, and they'll gain more and more of a monopoly over the market, whilst the rest of us (small-scale operators) will find it harder and harder just to scrape together a little business.

To put it another way, although the commercial club was coloured by familial ties, friendship and local ties, the real essence of it was that of a network of market relations, especially as an alliance of strong market players. For small operators, the network of market relations swallowed up those of familial ties, friendship and local ties.

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4 Liu Jian'an, *"Ningju shi wan ren mengxiang Xinhua shuma kuaiyin angqi longtou",* ("Embodying the Dream of over a Hundred Thousand People, Xinhua's Speed Digital Printing Holds High its Dragon's Head"), *Loudi xinwen wang* (Loudi News Website), http://www.ldnews.cn/news/loudi/thenews/201107/20110706201252_2.html (accessed on 6/7/2011).

There really was pressure for those who started out low or came into the industry relatively late, for their fellow business people who had made their wealth earlier on were now moving towards integrating resources and strengthening competitiveness. From Mr. Wang, who faced the heavy pressures of his business, and Mr. Huang, who had not seen any real improvement in his business circumstances for many years, it was not difficult to realise that unless they were able to gather together a large amount of capital and directly get into the field of colour printing wherein there was higher profit to be made, it would only become more and more difficult to turn themselves from small players into big players and from weak players into strong players just by relying on their small scale comings and goings. I noticed a post on the "Typing and Copying" forum of the "Yangxi People's Forum" on the "Yangxi Information Port" website.[5] The title of the post was "You Can't Do This, and We Can't Take It"; the content was a photo of an advertisement on the window of a typing and copying shop, which read, "Printing five *fen*, Copying five *fen*."[6] Between October 7, 2011 when that topic was posted and the end of October, there were over 50 replies. Most repliers were full of lament. For instance, one reply read, "Begging for your rice would be better than this." Another read, "Copying and printing is only five *fen*, but it's four *fen* just to buy a sheet of paper these days, and then you have to pay for the toner and the electricity. How can you do business like this?" But other replies pointed out the very fact that these "brothers" from Xinhua were "brutally killing one another off." For example, one reply read, "I'm really feeling the pain from these cowardly scumbags." Another said, "#@%*, really, the prices have been totally messed up this way." And a third read, "People from the same place aren't united, and all they can see is the profit right in front of them. We should learn from Jewish people!"

5 The Possibilities and Limitations of the Informal Economy

Economic operations must always have certain institutional foundations. The formal economy is unquestionably required to respect national laws and other official institutions. In contrast with this, the informal economy often operates in the circumstances of dodging national laws and official institutions. Seen from the relationship between labor and management, those working within the informal economy lack the protection of their interests and the further

5 See http://www.417628.org/bbs/read.php?tid=48614.

6 (Translator's note) A *fen* is a unit of Chinese currency equal to one hundredth of a *yuan*.

benefits bestowed by legal (for example the Labor Law) and other institutional regulations.[7]

Clearly, many stages of operations within the speed digital printing industry run by people from Xinhua have the distinct characteristics of the "informal economy." As a kind of economic form that differs from the formal economy, this reminds us that the market is not something transparent in a vacuum. Social factors, such as networks based on familial ties, friendship and local ties, may be embedded into the market and can make up for many other failings. Particularly for some market entities, these social factors can help to lower transaction costs, thus giving them greater strength to exist and develop within the market. Taking Coase's opinion that the lowering of transaction costs is the economic nature of a firm, we can go further to argue that social factors, including networks of familial ties, friendship and local ties, have a side to them that exists in deep accordance with the market.[8] In contrast with Max Weber's almost a priori verdict, this implies a kind of possibility that the development of the market does not necessarily require people who are totally

7 Some time ago, Huang Zongzhi noticed the particular characteristics of China's informal economy and its importance to the development of the Chinese economy (see Huang Zongzhi, *"Zhongguo bei hushi de feizhenggui jingji: xianshi yu lilun* ("China's Neglected Informal Economy: Reality and Theory"), *Open Times* (*Kaifang shidai*), 2009, No. 2.). This research points out that it is common for Chinese local government to use land and corresponding infrastructure at less than cost price, add both visible and invisible subsidies and tax breaks, and allow the bypassing of national legislation on labor and environmental protection in order to attract business investment. It is precisely this kind of informal reality and the vast informal economy that has sprung up along with it that have really been the main power behind the astoundingly rapid growth of China's GDP. At the same time, this is also the source of the increasingly intensifying social and environmental crises Huang Zongzhi, *"zhongguo fazhan jingyan de lilun yu shiyong hanyi: feizhenggui jingji shijian"* ("Theoretical and Practical Implications of China's Development Experience: The Informal Economy in Practice"), *Open Times* (*Kaifang Shidai*), 2012, No. 10). In contrast with Huang Zongzhi's research, which places emphasis upon the behaviour of local government, this article turns its focus to the paths and consequences of economic development when rural Chinese people spontaneously utilize traditional resources (such as familial ties, friendship and local ties), evading national laws and official formal institutions. In reality, aside from the actions of local government, the spontaneous actions of both urban and rural Chinese people themselves play a decisive role within the Chinese economy. As such, this research on the informal economy and that of Huang Zongzhi may form a complement to one another, confirming that whilst the informal economy has clear advantages for economic growth, in terms of social welfare, it also involves natural shortcomings.

8 Ronald Coase, "The Nature of the Firm" in Louis Putterman and Randall S. Kroszner (eds.), *The Economic Nature of the Firm*, 2000, pp. 75–98, *Shanghai Caijing Daxue Chubanshe.*

liberal and in possession of the "Protestant work ethic."[9] Networks formed of familial ties, friendship and local ties can, in empirical terms rather than philosophical (religious) and civilization terms, aid us in explaining the embedding of the modern market into Chinese society, which is deeply influenced by Confucian culture.[10]

However, if the issue was that simple, it would not merit voluminous deliberation. Perhaps, there is even deeper tension and paradox underlying the issue.

At the same time as familial ties, friendship and local ties are embedded into the market, the rules of the market are also deeply embedded into these ties in ways that are often overlooked. Sometimes, they are concealed underneath the vestures of familial ties, friendship and local ties. However, at other times, they undisguisedly control the relationship between employer and employee within a market entity, as well as the competition between market entities. This is especially the case when an industry has already concluded the phase of expansion and super profit. Thus from the speed digital printing industry run by people from Xinhua, we have seen that when it comes to the relationship between owner and employee, the former will often create an appropriate degree of separation between familial ties, friendship and local ties and the market, so as to dissipate the constraints of familial ties, friendship and local ties on the market mechanism. To this end, they might even treat the familial

9 Max Weber believed that the "Protestant work ethic," with its hard work and asceticism (frugality), was the basis for the rise of Capitalism (see *A Collection of Weber's Works XII: The Protestant Ethic and the Spirit of Capitalism*, 2007, p. 51, Guangxi Normal University Publishing House), and that one of the most important reasons China was unable to develop a Capitalist (market) economy was that it lacked this base (p. 270). However, this cannot explain why rural Chinese, who are able to use the method of "involution" for economic development, lead to non-Capitalist production methods, whilst in the same way being hard working and frugal.

10 During the 1980s and 1990s, this sparked great debate within economics and philosophy circles. The focal point of the argument was whether it was possible for Confucianism and the modern market to come to a kind of accord (see Du Weiming, *"Du Weiming Wenji"* ("A Collection of the Works of Du Weiming), *Wuhan Chubanshe* 2002, Vol. 2, 529–539.) Without doubt, the establishment of this proposition is diametrically opposed to Weber's argument on religious ethics, as such the majority of its critical analysis was also undertaken on the level of Confucian culture (Confucian Ethics). However, I believe that whilst analysis from this dimension is necessary, if we undertake our critique purely on a cultural level, it would be very easy for us too to become caught in the trap of cultural essentialism, in which Weber was once ensnared. Perhaps, by taking as our point of entry the specific social relationships through familial ties, friendship and local ties and their ethics in practice, we may be able, to a certain extent, to make up for those shortcomings.

ties, friendship and local ties as a tool to manage employees and maintain the "standardization" of employment relations. For people from Xinhua, when it came to outside competition, it seemed that there was even less they could do about the embedding of the market rules into familial ties, friendship and local ties. Tension never ceased to exist between the cold, harsh market relations and the warm sentiments of familial ties, friendship and local ties. When this tension grows to a certain extent, the assertions of Marx become quite clear: it is difficult to avoid the veil of warm emotion being eroded or even completely torn away.[11]

In the end, after familial ties, friendship and local ties have been embedded into the market system, the logic of the jungle (the weak becoming prey for the strong) cannot be avoided. This is connected to the very fact that the foundations of that logic were not avoided at the very beginning. When people from Xinhua used networks built upon familial ties, friendship and local ties to gain a central position in the market, the most fundamental aim in itself was to strengthen their own (private) competitiveness and to gain more market resources. It was not for some public or social aim. After this kind of competitiveness has become strong enough to drive forces "alien" to the networks of familial ties, friendship and local ties out of the market system, those networks, the aim of which was to win more market resources, do not disappear, nor has their basic nature changed. Thus we might argue that even as early on as when the "spectre" of Xinhua people began to start a trend for sharp reduction in prices on a national scale, the tragedy of "brothers brutally killing one another off" was already destined to happen.

Only when the practical forms of the informal economy, like the networks of familial ties, friendship and local ties, properly surpass purely "private" aims and establish certain levels of public or social aims, may it be possible to overcome the pure market logic. If what we look at is just a case of familial ties-friendship-local ties and the market embedding themselves into each other, at least when it comes to the competition in which "the weak becomes prey for the strong," the weak will still not stand a chance in the end. In comparison with the employment relationship within the formal economy, since that of the informal economy somewhat escapes the restraints of the law and other institutions, there is scope to plunder even greater profit from labor (for example, low wages, deposits and so on) and to violate workers' rights (for example, overtime), thus distorting the pricing mechanism for wages and even undermining social justice.

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11 See Marx, *The Economic and Philosophic Manuscripts of 1844*, 2000, pp. 144–146, China Renmin University Press.

Today, one of the great difficulties we have to face is the pronounced tensions and paradoxes between the advantages and disadvantages of the informal economy. The possibility of overcoming the disadvantages of the informal economy, or the possibility of coming to an accord between pure market aims and public and social aims, is an issue commonly faced by societies in transition. In essence, the tensions and paradoxes, which arise from the gap between the pure market and public aims, are those internal to a transformation society, rather than those out of the choice of economic development model, or those between the modern market and Confucian culture (or civilization).

If we go beyond discussing the principles and look at what we might do in practice, we can roughly come to the verdict that we should not live with the hope that some day the market will suddenly develop a kind side. Nor should we hope it will automatically continue or abandon certain "traditions" in accordance with our attachment or abomination. If you have decided to change the market, then it may be advisable to start with rebuilding society.

CHAPTER 4

Discursive Dyslexia and the Articulation of Class: A Theoretical Perspective on China's Young Female Migrant Workers (*Dagongmei*)*

*Pun Ngai***

On 19 November 1993, a major fire engulfed a Hong Kong (香港)-invested toy factory in Shenzhen (深圳). The factory was subcontracted to process the products of a certain famous European toy brand. Over eighty workers lost their lives in this fire, whilst over fifty people were left with severe burns, and more than twenty people suffered minor injuries. This tragedy shook the international community. It also caused a great uproar within China, as if it was the first time since the Reform and Opening (改革开放) that China had suffered serious injury at the hands of global capital.[1] Only now, the mass media also seemed to have suddenly become aware of the heavy price being paid by migrant workers for China's rapid economic development. This major fire etched a permanent scar into Chinese society's dream of modernity, which is characterized with a deep belief in capital and in the modern market. The process of seeking modernity has to it a restlessness fuelled by both hope and longing, whilst at the same time, it is rife with the evils of development. During this process, there at the bottom of the heap, the sacrifice of the working class is viewed as necessary for development.

It was by chance that I met Xiaoming. She was a young migrant worker who, in this fire, had been going through the pain of parting forever with all of her fellow workmates—girls from her own village. She had been the only one of them to survive. This fire was powerful enough to collapse the factory

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1 The first fire at a foreign-invested industrial park in China occurred in May 1990. That was a major fire, which broke out at a Hong Kong-invested factory that produced raincoats for export to the European and American markets. The factory was in a heavily industrialized region of the Pearl River Delta (珠三角) named Dongguan (东莞). Over 80 workers were swallowed up in the sea of flames. Following the tragedy, I went to a hospital in Guangzhou to visit the injured workers. That was the first time I had come into contact with China's migrant workers. Later, in July 1990, I went with a friend to do a follow-up study of injured workers from four different villagers in Hubei Province (湖北省).

building, yet it was unable to reduce to rubble the dreams of these young female migrant workers. For over a decade, it is this very fire that has compelled me to continue to scrabble around in search of a minor genre of social resistance.

To this day, Xiaoming's life is still a gentle glimmer in my mind, and there it remains, flickering away. I'd never expected to meet Xiaoming—a young girl, only twenty-one years old. She had been away from her home in rural Hubei for only a short time, working as a migrant worker. The first time I saw her, she was lying in a hospital bed, and almost her whole body had been burnt. The one part of her that had escaped the blaze was a bright, sincere pair of eyes, shining up at me from her pretty face. She appeared very frail, but she talked to me with a great sense of calm:

> Children like fighting, bounding around, and singing. But I like dancing, so I once thought that maybe someday I could become a dancer. . . .
>
> It's really not easy to get to our village. It's halfway up a mountain, and it's not connected by rail or by car. If you want to get to my village, you have to walk for about an hour. . . .
>
> The people there are really poor, but they're very decent. . . . In the city, there's almost no sense of trust. I don't like city people. I did quite a few years of farm work and housework for mum and dad. These days, young people don't like farming; I don't like it either. Everybody says it's really fun working "out there," and you can earn a lot of money too.
>
> In 1990, a few others from my village and I left home and went to Shenzhen together. I found work at a clothing factory. It was the first time for me to look for a job. Before entering the factory, the manager gave everyone an interview and a written test. I was absolutely terrified at that point. Inside that factory, everyone was fighting for a job. I felt really lonely while I was there fighting for that job.
>
> I told myself that I had to be a grown-up and that whether or not there was anyone else from back home at the factory, I had to look out for myself. The factory arranged for me to have a bunk bed in the workers' dormitory, and I didn't know a soul. It was only then that I really experienced the feeling of being away from home, which people often talk about: for everything, you have only yourself to rely on.
>
> But having just left the countryside, I still found it really exciting—the big city, the huge skyscrapers, the shops, and such a lot of people. . . . It was like watching a film. And there was I, in the middle of the film. Everything was so new and interesting to me, whilst me, I thought I was a real hick, really naïve. . . .

> But I wasn't happy in my first job. The factory had been set up by a Taiwanese boss. Our wages were never paid on time. We were supposed to be paid on the first day of every month, but they were always late to pay us. Sometimes, they'd be a month late, and sometimes it was two. . . . The good thing was that the wages were no lower than those at any other factory, and I earned 300 *yuan* a month.
>
> I left that factory in May 1991. My elder cousin had introduced me to this toy factory, which was huge. . . . It was really tough work, from the early hours of the morning to the middle of the night, twelve hours a day. I was absolutely worn out every day . . . but I felt really happy there because I had a lot of friends and relatives around me. We'd often chat and help each other out.
>
> From then on I'd not had any more thoughts about jumping ship and going to a different factory. . . . Every three months, I would send 600 *yuan* back home to my dad, and I'd keep a couple of hundreds for myself. I thought I'd be able to work at that factory at least for several years. But then it caught fire, an enormous fire. . . .

Social violence is an unavoidable part of the lives of *dagongmei* (打工妹, young female migrant workers). In order to bring this social violence to light within the context of a socialist China that is gradually being incorporated into the system of global capitalism, I began a long journey in search of a Chinese worker-subject. At the same time, within China—a country that was rapidly becoming the factory of the world and providing a vast amount of cheap labor and natural resources for global production—I was also attempting to explore the possibility of a form of alternative social resistance. For Xiaoming, life is pervaded with the flickering blaze, the pain and the memories, which constantly flash before her. This clearly reveals the wounds of the era and narrates the social resistance in the life of every single migrant worker in the era of China's transition.

Over a decade has passed since that major fire. In China, which is hurtling towards globalization, I could see a new class of workers that are struggling hard in a desire to get out. Whilst attempting to understand this kind of totally unfamiliar yet brutal life experience, what perplexes me most is this: the living conditions of China's working class are utterly dismal, and yet not only do the voices of this class fall into oblivion against the rumble of the state machine's construction of modernization, but they also meet with disgust and loathing from the general public (this comes from the newly emerging middle class in the cities and sometimes even from the working class themselves). In other words, on the one hand, the class subject are not themselves able to speak,

whilst on the other hand, when it comes to the topic of class, the whole society commonly comes down with a case of discursive dyslexia. It was this very quandary that drove me to seek out the whys and wherefores of class discourse in contemporary China. However, what is ridiculous is that the word "class" has already been washed and rung out to the extent that all that is left behind is a body devoid of its soul, like the spirit of the deceased, longing for reincarnation.

The first focus of this article is a derivation of the genealogy of class in China from the Mao era to the post-socialist era. This is aimed to help understand the figurative "loss of voice and articulation of voice" of the newly emerging working class in China's reform era. I believe that the "discursive dyslexia" of the working class not only has a powerful effect on China's legislation and policies that are related to labor and population, but it also obstructs the formation of the working class itself.

The second focus of this article is to emphasize that on the basis of more penetrating historical, sociological and anthropological research, we must establish more advanced theories of the highly contested concepts of "class," "class consciousness," and "class struggle." In contemporary China, there is yet to emerge organized, systematic collective "class struggle" that aims to oppose the state and capital. However, that does not necessarily mean that within a rapidly changing Chinese society, "class consciousness" has not begun to take root. In this article, through the real daily lives of migrant workers and their social resistance, I will seek for the possibility of the expression of their voice as a class-subject, and the formation of a working class.

1 Revisiting the Class-Subject

In his study of the formation of the English working class, E. P. Thompson argues that "the working class did not rise like the sun at an appointed time. It was present at its own making. . . . More than this, the notion of class entails the notion of historical relationship. Like any other relationship it is a fluency which evades analysis if we attempt to stop it dead at any given moment and attempt to anatomize its structure. . . . The relationship must always be embodied in real people and in a real context" (Thompson, 1963, 9).

Here, Thompson's insights remind us that we must do everything we can to avoid turning the real lives of China's young female migrant workers—below referred to by the Chinese term *dagongmei*—into a pile of moribund statistics, patterns, or arguments that are padded out in the language of "class." There are two main points in Thompson's contribution. The first is that he questions the

notion of positivistic historical study, arguing that this ignores culture, as well as industrialization, the political environment, and the qualitative change of the working class subject. The second is that he challenges those Marxists who clung to the tradition of materialism, arguing that they over-emphasized material determinism, whilst at the same time failed to see the dynamism of society and culture, thus overlooking the complexity of the class-subject and of class consciousness (McLennan, 1982). Thompson argues that class, far from being a structurally generated product, is reliant upon historical relationships, and that the emergence of this class is actually the outcome of its own reality. It is the agency of the working class itself and the cornucopia of its different experiences that provides us with clues to understanding how this class is formed. Aside from the working class itself, there is no one else who can become the agents of their history.

Although the agency of the working class has been restored to the centre of debate, in traditional Marxist class analysis, the dynamic relationship between culture, class-agency and the emergence of class has still not been fully explored in theoretical terms.[2] Thus it has consistently been the focus of post-structuralist criticism. Post-structuralists emphasize the removal of the politics of articulation and the subject from the heart of the problem, yet it is these two elements that make for a vehement argument against any kind of one-size-fits-all or teleological notion of class.

On this point, I wish to highlight two things. First, the politics of articulation always exists within specific histories, spaces and cultures. The field of articulation is the arena right at the spot where these different forces converge and cross swords: the state, capital, intellectuals, the media, and last but not least, migrant workers themselves—all enter this site and attempt to interpolate the state and nature of the working class. In the Mao era, China's proletariat was created, and "announced" through socialist politics of articulation. Even before the corresponding subject had actually emerged, "class" was being constructed. In order to create class actors, it could be argued that the state machine monopolized the power to give them their identity.

Second, it is not fitting to use a teleological orientation to describe and explain class. This is because, just as Thompson has explained, whilst class is a historical, structural concept, it is also a cultural concept, and a concept based on lived experience (Thompson, 1963, 9–11). In the same way as gender and ethnicity, class embodies a specific kind of human relationship. These relationships cannot be integrated into one category, nor can they be simplified

2 See the critical review undertaken by Don Kalb on the questioning of a class analysis approach: Kalb, D., 1997, 1–23.

into the specific expression of one particular kind of nature. Kalb argues that this type of historical, relational class concept means a more open, contingent form of class analysis, and meanwhile it remains the best way to avoid falling into erroneous ways of thinking, like reductionism, reification and essentialism (Kalb, 1997, 6–7).

Aside from the relational explanation of class, there is another argument, which leans towards using class struggle to supplant class itself. McLennan argues that Thompson's treatment of the formation of the working class developed the notion that class struggle can exist separately from class itself. To Thompson, "struggle" is more important than "class," whilst abstract "class interests" are not struggled over by a specific class and class identity. Thompson clearly recognizes that there was a huge gulf between the discourse of the working class and popular thinking, and that the latter was more inclined to identify with the traditional "moral economy" (McLennan, 1982, 113). Studies of strikes by workers have shown that without class struggle, there is no class. It is always through class struggle that workers arrive at class consciousness, and thus graduate to become a class. Fred Chiu has clearly given voice to the position that without class struggle, there is no class. He points out that "class exists only while individual workers are interpolated and involved in a process of forming a collective identity—a particular historical moment when individuals consciously formulate moral-political positions and carry them into the battlefield of concrete struggle. At such moments—not earlier and not later—one can conceive of 'class'" (Chiu, 2003, 220).

I would agree that subjectivity and the active participation of workers in worker action like strikes are requisite conditions for the formation of class consciousness. However, the hypothesis that "class" is "class struggle," particularly the simplification of class into a kind of method of collective action, is still unreasonable. In my research on women factory workers, I have realized that class consciousness is also formed in the practices of daily life. It might be expressed at any time and in any space; this class consciousness is all but as strong as that in any collective class struggle. On the shop floor, both the managers and the managed, commonly and deftly make use of different techniques of political articulation, including condensation, displacement, and representation, which are also used and entangled with the language of gender, ethnicity, and rural-urban status (Perry, 1996). If no class struggle exists, it does not necessarily mean that there is no class consciousness and no class. It is quite apparent that there is no sequential relationship by which class struggle, class-consciousness, and class one by one follow each other or vice versa. Differentiating between class in-itself (*Klasse an sich*) and class for-itself (*Klasse für sich*) is extremely helpful to us in

understanding the structural and historical constraints in the formation of the worker-subject.

In China, class analysis goes far beyond the scope of a purely academic concern. To a much greater extent, it is a political issue. For over half a century, as it has been influenced by reductionism, reification and essentialism, people have drawn close connections between the discourse of class and waves of socialist movements. If the revolutionary thought of Mao Zedong (毛泽东) engendered a discourse of class struggle in China, then the reforms started by Deng Xiaoping (邓小平) replaced it with a kind of discourse of modernity, which allowed for and encouraged "some people to get rich first." From the early 1980s, the Scar Literature or Literature of the Wounded (伤痕文学) genre appeared amongst China's creative literary works, for the first time, revealing the scars caused by the Cultural Revolution (文化大革命), whilst at the same time questioning certain mistakes made by Mao, along with his belief in class struggle. As post-socialist China careered towards capitalism, *class* was no longer only a meaningless word, it was rapidly growing and constantly rebuilding itself. However, it was just at this point that the spearhead of the state mechanism reversed its aim and was now pointing directly at class discourse.

In contemporary China, a new elite has emerged, and it consciously resists against Marxist discourse in the common sense and the discourse of class struggle in a given sense, for these discourses could still potentially shape the popular memory and the history of socialism. Bearing the banner of neoliberalism, the new hegemonic machine was already fully prepared to attack class discourse and denounce other outdated and harmful ways of thinking. However, it was at this farcical historical moment that in the words of Derrida, the spectre of Marx made its return and it had to return. As Derrida puts it, "The objection seems irrefutable. But the irrefutable itself supposes that this justice carries life beyond present life or its actual being there, its empirical or ontological actuality: not toward death but toward a *living-on*" (Derrida, 1994). Within this, there is a kind of "visor effect": we are unable to see who is currently observing us, but "this spectral someone other (*quelqu'un d'autre*) looks at us" (Derrida, 1994, 7). Just as class has been stripped of its language and has no way to articulate itself, a new *dagong* (打工) subject (worker-subject) is struggling to be born. At this moment, the spectral other hovers back and forth around us, looking at us, but daring not to hope that it can be seen, aside from its own image. Its sorry fate is both its misfortune and its fortune. It is not merely a process of its own formation; at the same time, it is a critical struggle, an opportunity for that specter to find life.

2 The Formation of Class

Ann Anagnost (Anagnost, 1997, 17–44) tells us that in early twentieth century China, "making the subaltern speak" had become the revolutionary project of realist literature, yet borrowing from a skewed view of Marxist class analysis, the state machine subsumed it under the discourse of the Party and that of the state. Although in today's China categorization by class is no longer an unfamiliar concept, the formation of the new *dagong* subject is much more complicated than it is explained by a traditional Marxist stance on class, which often treats the subject as a purely abstract entity or the product of the means of production and the relations of production.

In this article, class is treated not only as a range of dynamic historical relations, but as a range of specific relationships, formed collectively by a whole host of factors, including countless tensions, structural contradictions and the clashes that arise from time to time. The new *dagong* class is emerging from the very bottom of the social heap. Its formation is destined to be a difficult process, for the moment it appeared it suffered destruction and decimation from the dominant class above it. This making and unmaking seem to be two sides of the same coin, coinciding with one another as the new *dagong* class is born unto a China hurtling towards globalization.[3]

Andrew Walder has argued that China's process of proletarianization during the Mao era was unique in that it was entirely determined by politics and not the market (Walder, 1986). First, Mao Zedong Thought (毛泽东思想) lent an entirely new interpretation to the Marxist theory of class, giving particular prominence to class struggle. In 1925, In his famous work "Analysis of the Classes in Chinese Society" (中国社会各阶级的分析) Mao pointed out that the reason to undertake analysis of the different classes in Chinese society was to identify friends and enemies for the Communist Revolution: "Who are our enemies? Who are our friends? This is a question of the first importance for the revolution." He went on to state, "the leading force in our revolution is the industrial proletariat" (Mao, 1965, 13). However, at the beginning of the twentieth century, the modern industrial proletariat in China was no more than around two million people, and "these two million industrial workers [were] mainly employed in five industries—railways, mining, maritime transport, textiles and ship building—and a great number [were] enslaved in enterprises owned by foreign capitalists" (Mao, 1965, 18–19). Although before the war,

3 See Andrew Walder on the making and unmaking of the working class in socialist China: (Walder, A., 1984).

Mao Zedong placed great hope in the participation of China's industrial proletariat in the revolution, he was keenly aware that the number of people belonging to that class was still extremely limited.[4] In effect, the war of resistance against Japan and the war of liberation against the *Kuomintang* (国民党) mainly relied upon the vast numbers of people in rural China. Mao Zedong proclaimed peasants to be "semi-proletarianized," a class which was to be the most staunch ally of the proletariat (Schram, 1969). However, following liberation, it was workers (*gongren*, 工人) in the urban areas, rather than the enormous population of people in rural China, that were proclaimed to be the vanguard of China's proletariat and therefore the new masters of China. The unscrupulous nature of the relationship between political symbolism and class subject is quite explicit. The gaping chasm between actual intention and expressed intent maintained and meanwhile destroyed the token symbol of *class* discourse.

During the Mao era, within the context of the planned economy, the formation of China's working class took only a short few years. In contrast, the formation of the working classes in Britain and other European countries took at least half a century, and it was determined by the market economy. The Chinese working subject had been interpolated with class status by the class ideology of Mao Zedong Thought. The politics of articulation was so powerful that it rendered class in-itself into class for-itself.

At the end of the 1970s, Deng Xiaoping started China's policy of Reform and Opening. In a few swift blows, the Reform and Opening shattered the class structure that had been created so quickly by Mao. The urban reforms that began in the mid 1980s smashed the iron rice bowl of the working class belonging to the state-owned enterprises that had, until that point, always been protected by the state (Leung, 1988; Walder, 1989; Sargeson, 1999; Lu, 2002; Tan, 1993). The privileged status of China's working class from days gone by was completely negated. As China progressed towards globalization, the leading parlance of the state and capital diluted the strength of class discourse. However, this does not necessarily mean that class analysis became outdated. In reality, nothing is quite that simple. In contemporary China, the newly emerging bourgeoisie, the urban middle class, and government officials hope to draw on the discourse of neoliberalism to rationalize the rapid social change taking place, and to restructure social relations and class structure. Class analysis was subsumed as a political tactic adopted to cover up their own class status and social privileges. In order to pave the way for a neoliberalism

4 On contention between the role of peasants and the leading status of the working class in the revolution, see Schram, 1969, 236–237.

that emphasizes individualism, the specialization and division of labor, equal opportunities and open markets, the discourse of class was completely stifled. Thus, it could be argued that the history of class in China has twice been displaced, first by the state and then by the market. In a rapidly changing China, the double displacement of class has ensured that the real meaning of class is obscured, and in this sense, it is of a highly political nature.

However, the migrant workers who have flooded to China's towns and cities have already rapidly formed a new army of labor. The industrial and development zones that are constantly appearing around the country have provided the conditions necessary for global capital to use China's abundant resources of cheap labor. Thus, as China became embroiled in global capitalism, the burgeoning *dagong* class is mainly composed of migrant workers (*nongmingong*, 农民工), and the fate of this class is jointly determined by the state and capital. As a class force, the burgeoning *dagong* (打工) class has suffered repression from the moment it began to emerge. In today's China the newly emerging bourgeoisie not only overlaps with government officials, but it also inextricably links with China's kinship-based networks (Bian, 1994; Lin, 1995). The complicity between the bourgeoisie and government officials, who form a state of government corporatist governance, is also a cause for the suppression of the discourse of class, to the extent that it is the most powerful force in bringing about the non-articulation of class. The constantly increasing speed at which progress towards urbanization takes place and the almost universal improvement in urban living standards are common themes over which the urban elite rhapsodize, yet the deepening social inequalities and the exploitation of non-local or rural labor are always underestimated or overlooked. In the eyes of the urban elite, there is simply no such thing as class division. All they know is that the government is allowing some people to become rich first, and such being the case, it is only natural that disparity and divisions will emerge. The intention of the dominant class to use an open society to replace a society of classes is somewhat conspicuous. Moreover, the process of displacement of a class-based society by an open society can be seen as a political process, legitimized by the market.

3 Ambiguous Class Identity

China has certainly not been the only socialist state to initiate an adoption of the main tenets of global capitalism. In the same way as in Eastern Europe, when faced with the multitude of ills that accompany the rigidity of a state planned economy, the Chinese government decided to introduce the mechanisms of

the market economy in order to solve social crises like a low level of development, insufficient employment, vast numbers of unemployed, and a common decline in living standards. This was particularly true in the final days of the Cultural Revolution (Dirlik and Meisner, 1989). Following the Reform and Opening, the central government passed the power to develop the economy down to local governments, and thus there was a spate of local governments attempting to plan and develop their cities into a part of "the factory of the world," In order to prioritize the realization of economic development targets, local governments had no hesitation in implementing strict social controls. In the deep chasm between the dream of the great modern metropolis and the desire for an intensified system of administrative control, emerged the exploitative management mechanisms for the utilization of labor.

China's population control is mainly accomplished through the Household Registration System (户籍制度), which was officially established in 1958 in the state's Regulations on the Household Registration of the People's Republic of China (中华人民共和国户口登记条例). China's household registration not only determined where a person lived, it also determined the vicissitudes of a person's whole life—his or her place in society, wages, welfare, material possessions, and housing (Solinger, 1991; Yin and Yu, 1996; Lu, 2002). Before the reforms, the Household Registration System was a simplex, overarching, strict system, under which people fell into one of two categories: urban permanent resident *hukou* (户口) or rural permanent resident *hukou*.[5] Under this system, the fate of people in rural China was confined to the land by their *hukou*. Although the loopholes in the Household Registration System itself meant that some "illegal" citizens migrating between rural and urban China did exist, in terms of their numbers, there was no way that this would change the rural-urban binary structure or the peasants-workers binary structure.

In the early 1980s, the Shenzhen Municipal Government (深圳市政府) took the lead in making significant changes to the Household Registration System, issuing temporary measures to control the migrant population. They added a temporary *hukou* to the original *hukou* for permanent residence. This was mainly aimed at short-term migrant workers. The Household Registration System was intimately linked to the controls on labor, and its existence helped the emergence of mechanisms for the exploitation of labor. The government used the Household Registration System to delineate the population in the city into permanent and temporary residents, which meant that the government

5 Unless it was at the request of the country, no one was able to change his identity. Sometimes, the government would allow for university graduates to change their *hukou* (户口) to move to a large city for work, because they were seen as professionals.

did not need to bear responsibility for providing housing, job security and other types of welfare for these migrant workers (Solinger, 1999; Mallee, 2000; Zhang, 2001; Tan, 2000). The towns and cities needed the labor of the rural population, but the moment that their labor was no longer needed, they had no way to continue to survive in the city. In reality, the city did not allow the newly emerging *dagong* class to take root on its turf. Even worse, the intertwining of the Household Registration System and the labor controls has formed a special modality of power, whereby an ambiguous identity has been constructed for migrant workers. This at once deepens and obscures the exploitation of them. Are these temporary residents urban residents? Are migrant workers (*nongmingong*) peasants or workers after all? The answers to the above questions are always vague (Andors, 1988, 40–41). The ambiguity of migrant workers' status meant that whilst the Chinese government had not fully acknowledged their identity as workers, it was still able to use them as it saw fit. As Solinger explains, this creates a state of, if not deformed, contested citizenship (Solinger, 1999). This is most unfavourable to migrant workers turning themselves into workers in the city. The term *nongmingong* has blurred the line between a person's sense of identity as someone from rural China (*nongmin*) and someone who is a worker (*gongren*), imperceptibly suppressing the formation of a *dagong* class.

Moreover, the town and city governments did not provide their temporary populations with housing, education and other basic infrastructures. It was not only the migrant workers themselves who did not enjoy the same basic rights as urban citizens, but their relatives were not allowed to live in the city, unless they were also able to find work there. Migrant workers were unable to register a marriage or a birth in the city. Officials saw migrant workers as rural people and believed they should rely on their family network in the countryside for support. Thus, not only could local government, non-Mainland Chinese-invested enterprises (including Hong Kong-invested enterprises and Taiwan-invested enterprises) and foreign-invested enterprises lighten their load, at the same time they could also gain profit through their use of this rural labor. Meanwhile, the cost of labor reproduction had to be borne by rural society. Migrant workers were transient guests in the city. Generally speaking, these migrant workers—especially young female migrant workers (*dagongmei*)—would work in a factory in the city for between three and five years before getting married. Their long-term plans, like marriage and having children, were all expected to take place in the countryside. Just as in other developing countries, the process of proletarianization in modern China was hugely reliant on a self-sufficient model of agricultural production. In China, another main characteristic of proletarianization was that it was not determined by market

forces. Instead, it was determined by political forces and the administration. In other words, through the power of politics and the administration, the various extant social relationships and economic structures were integrated into the process of developing a market economy. As China's countryside had vast numbers of surplus labor, the urban governments did not have to concern themselves with the problem of the reproduction of labor.

In short, if they wanted to develop a Special Economic Zone (SEZ) into a modern industrial town or city, it was necessary to rely upon the use of *nongmingong* coming from all over China. At the same time, the discourse of the state and capital, intentionally or otherwise, refuted the status of these migrant workers as a class. An ambiguous sense of self-identity was a peculiar mixture of both population control and labor control. During the process of China's integration into the global economy, the ambiguity of this identity helped to maintain the volume and flexibility of cheap labor. With its emphasis on modernity and development, the neo-liberal discourse works to rationalize the exploitation discussed here, and meanwhile it determines the weak standing of China's newly emerging *dagong* class, for this class had not even been given the space to articulate its own existence. The most fundamental problem faced by the newly emerging class was that its workers did not have the right to settle in the city, so it was as if they had been stripped of the soil in which their class took root. Slums are a place where the proletariat can organize and develop into a class force. In large cities like Guangzhou (广州) and Beijing (北京), densely-populated communities of migrant workers did rapidly grow in some suburban areas (Zhang, 2001; Wang, 1995; Wang et al. 1997; Zhao, 1997), yet in the majority of big cities, this kind of areas were often the main targets of management and cleanups by government. The proletarianization of the countryside is a unique phenomenon in contemporary China. During this process, for every *nongmingong*, life as a worker in industry was a brief and temporary one. It was rare for someone to dare hope to genuinely change their social status from peasant to worker. When migrant workers are sent back to the countryside, the roots that they may have put down against all adversity are destroyed. Thus it could be argued that in contemporary China, the forces of politics and the administration, combined with the discursive dyslexia on class, determine the making and unmaking of the newly emerging *dagong* class.

4 Social Actors or *Dagong* Class Subjects?

In contemporary China, the race towards modernity means that Chinese society must allow for private and global capital not only to permeate and regulate

Chinese economic life, but also social and cultural life. In my anthropological research about *dagongmei*, aside from drawing on Foucault's "techniques of the self," Marx's analysis of class struggle, and women studies on gender and labor, I have also been informed by the highly acclaimed works of Alain Touraine and his concept of the "social activist." As China transforms from an agricultural society to an industrial one and from socialism to market capitalism, in the resulting rapid and profound social change, *dagongmei* like Xiaoming, working at non-Mainland Chinese-invested factories (including Hong Kong-invested enterprises and Taiwan-invested enterprises) and at foreign-invested enterprises, are amongst the pioneers to experience this transformation. As women, as people from rural parts of the country, and as migrant workers, *dagongmei* are a drifting subject, living in a changing society. Their voice will not be easily drowned out and washed away by any leading discourse (be it intellectual or political discourse).

Young female migrant workers are now living and learning from their experiences, thinking about and resisting against the trajectory of their own lives. The struggles of this newly formed social subject are unique, diverse, and carried out in abundance, thus they can no longer be simplified as politicized class struggles. As a weapon of social struggle, class analysis is effective only when it is rooted in the experiences of struggles by the class at the very bottom of society. Only in this way can it make its comeback. In other words, class analysis will play its role only when it is within the infrapolitics of the migrant workers' own resistance against capital and the market.[6] Locked within the confines of triple oppression, these young female migrant workers must live through their own class experiences and make these experiences a part of their living resistance. If in the past, the class at the bottom has been injured by the leading discourse of the dominant class, the new subject, the *dagongmei subject*, which has emerged at the point where global capitalism and China's modernity project meet, is raising her head in hope for the return of class analysis.

5 The Making of the *Dagong* Subject

Dagong denotes the process of turning individuals into working subjects, particularly when they are working for a capitalist boss. The addition of the

6 Just as Elizabeth Perry argues, "Labor politics begins with laborers themselves: their geographical origins, gender, popular culture, educational attainments, work experiences and the like" (Perry, 1993, 4–5).

Chinese character *mei* goes further to demonstrate the gender identity of the worker subject in a given context. The term *dagong* originates in Cantonese—the language spoken in Hong Kong. In Hong Kong, labor relations are mainly determined by the market. Basically, *dagong* means "to work for a boss," and it carries strong connotations of the commercialization of labor or the sale of labor in return for wages (Lee, 1998). In the last twenty or so years in China, *dagongmei* and *dagongzai* (打工仔, the male equivalent of *dagongmei*) have become two widely used terms, forming a contrast with the term *gongren* (worker), the proletariat, which was more commonly used during the Mao era. Under Mao, *gongren* enjoyed a privileged status unparalleled in society. The state claimed that they were the masters of the country, and they would no longer be alienated by labor. Marx had argued that under capitalism, the alienation of labor was a common phenomenon. *Gongren* were the laborers that socialist China had liberated from alienation. Moreover, during the process of labor, they would fully realize the ideal type of their own new subject. In reality, in the socialism practiced in the past, *gongren* were working for the state. The state, as the "socialist boss," not only issued the wages of the *gongren*, it also provided them with the security of lifelong employment, housing, medical care, and education for their children (Walder, 1986; Li, 1992).

Dagong not only means a departure from the socialist boss, it also means the arrival of a new boss belonging to the global capitalist community. *Dagong* means that the laborers are no longer completely under the wing of the state, they are temporary labor, labor that can be arbitrarily let go, and labor that can, at any moment, be replaced be even cheaper labor. If indeed there is any, the value of *dagong* is determined by the market. The surplus value is extracted from their labor by capital for profit. In other words, the word *dagong* means a transformation from socialist labor relations to capitalist labor relations, yet *dagongzai* and *dagongmei* are a new configuration: they are now aware of the exploitation, and they are in possession of class consciousness.

How does the newly formed *dagong* subject develop a subjectivity and a sense of identity that are totally different to the *gongren* class subject of the socialist era? In the formation of the *dagong* subject, how do migrant workers gain power and survival tactics from the bottom rung of society in order that their subject won't be subsumed into any single political agenda? Moreover, if we leave behind the teleological perspective on proletarianization, what kind of individual or collective forms of rebellion will this *dagong* subject come up with? These are all extremely important questions.

6 Subject, Desire and Resistance

The arrival of the era of global production in China trumpeted the beginning of waves of workers migrating from rural to urban China. On the one hand, industrial capital deftly manipulates demand, lack and desire, and on the other hand, it sanctifies modernity amongst migrant workers who dream of becoming not only urban workers, but also modern consumers. The creation of desire and of lack is the art of the market economy, which, in the words of Gilles Deleuze and Félix Guattari "involves deliberately organizing wants and needs amid an abundance of production; making all of desire teeter and fall victim to the great fear of not having one's needs satisfied" (Deleuze and Guattari, 1984, 28).

The vast waves of people surging from rural areas to the industrial zones in the cities demonstrate the desire to *dagong*. Within this, we can see the political manipulation by capitalist production of social lack produces a desire within migrant workers to fill in the void. However, just as we can see through the genealogy of the rural-urban disparity and gender inequality, historical and systemic corrections have been made to this void by the socialist system (Perry and Wong, 1985; Seldon, 1993; Solinger, 1993, 1999; Stacey, 1983; Wolf, 1985; Croll, 1985, 1994). An understanding of the pressing urge of young females to leave the countryside must go far beyond the common explanations that draw on poverty and surplus rural labor (West and Zhao, 2000; Zhang, 2001; Tan, 2002; Sun, 2000). It could be argued that a different side to poverty is abundance (i.e. an abundance of surplus labor), and as a specific form of social lack, this has been created through the joint forces of the state and of capital. Poverty, especially enormous urban-rural disparity, has been forged by history and by people, and most importantly, it has become a kind of consumer discourse that exists within social desires to rise above it, fill in the gaps, and change things.

The depreciation of agricultural labor and the striking contrast it forms with industrial production quietly signifies the connection between the politics of difference, hierarchy, and the creation of the other, to the formation of the new *dagongmei* subject (Pun, 1999). Just as many studies of female workers and industrial capitalism have shown, the physicality of people in rural areas is often thought to be tough, dirty, rustic or lazy; contrastingly, the physicality of workers is described as deft and nimble, as young, single, and female, and particularly as well-suited to the new global division of labor (Nash and Fernandez-Kelly, 1983; Kung, 1983; Leacock and Safa, 1986; Ong, 1987; Lamphere, 1987; Rosen, 1987; Hsiung, 1996). The construction of a new sense of self and of identity is an act of

empowerment (Laclau, 1990). It is a process of self-subjectivization, exclusion and displacement (Foucault, 1988), which is connected to systemic control, techniques used to tame and subdue, the art of designation, and the power of discourse (Kondo, 1990). The construction of the new *dagong* subject meant that socialism and rural people, seen as old-fashioned and behind the times, were constantly being devalued, degraded and cast aside. Rural people were viewed as a plebeian subject. In other words, they were the dark, muddy underbelly of the new, modern, ideal identity. Social difference, such as urban and rural, northern and southern, male and female, married and unmarried, and so on, were all used to maintain, expand and alter the distribution of power and placement within the hierarchy. As a new form of identity and a product of culture, *dagongmei* was created within the specific context that emerged right at the moment when the global capitalist machine began to reap its harvest in the era after Mao Zedong. It marks the beginning of a new era, within which the market, the state and society together influence the process of proletarianization.

If Marx has already indicated that the urban-rural divide is the basis of capital accumulation, in this article, I will add another necessary condition for capital accumulation—gender difference. This is particularly true in an era of global production (Nash and Safa, 1976; Ong, 1987; Stitcher and Parpart, 1990; Ward, 1990). In the Mao era, China emphasized class and refuted gender difference, whereas after the Reform and Opening, China was inundated with discourses of sexuality and images of the female body (Croll, 1995; Evans, 1997). Capitalist production and consumption rely upon gender discourse as the basis of a system of difference and hierarchy. Xiaoming was recruited to the factory not only because she was a migrant worker from the countryside, but also because she was female, which meant she was thought to be cheaper and more easily managed and controlled. In China, non-Mainland Chinese-invested enterprises (including Hong Kong-invested enterprises and Taiwan-invested enterprises) and foreign-invested electronics factories are often likened to a Utopian land of joy and plenty, where young women are just waiting for men to come and sweep them off their feet. The machine of production has no interest in the commonplace body; it is interested only in particular bodies, female bodies. This is because the bodies of women are usually thought of as being easily tamed, more patient, and better able to conform to the machine.

However, *dagongmei* are far from a simple cultural product, and even less so are they merely the result of power and discourse or merely a gender construct. It is the process of *dagongmei* becoming a worker-subject, contending against the social forces that are trying to shape their subject, in a struggle to return as an actor, that forms this subject (Pun, 2000, 2002). The consuming desire of

people in rural China to remove themselves from a life of long-term isolation coincides perfectly with political techniques used in an attempt to control their own physical being. Thus, as actors, rural people undertake actions to change their own lives. As a specific class at the bottom of the heap, *dagongmei*, who are characterized by various forms of cooperation, resistance and defiance, embody the dual process of domination and resistance. It is this dual process that creates the complex, dissident and heterogeneous *dagongmei* subject (Certeau, 1984; Guha and Spivak, 1988; Scott, 1990; Willis, 1981). What they are faced with is an inherently incomplete system of dominance, and they have come to understand how they should rebel within the tiny cracks between the systems of power and discipline (Ong, 1987; Kondo, 1990). Before the disciplinary regime emerges, no matter how powerless they are, *dagongmei* are not merely simple, docile bodies. In fact quite to the contrary, they are agile and rebellious bodies, sometimes openly and sometimes covertly resisting against hegemony. There are even instances when they are able to turn the disciplinary powers on their heads, subverting or even breaking them down. It is certainly not my intention here to romanticize these "everyday life practices" (Certeau, 1984) or "cultural struggles," but when woven together, the stories and experiences of female factory workers, their pain and suffering, their cries and their nightmares—all those do form a moving portrait of "the politics and poetics of transgression" (Pun, 2000).

7 Conclusion

In short, in contrast to the path of proletarianization taken in the West, in China, *dagongmei* do not undertake organized, open resistance against capital, nor have they become an important force for opposition. As temporary visitors to the city, migrant workers have two important characteristics—capriciousness and transience. While they are in the city, these characteristics can form an obstacle in their growth to become a collective class force. However, even though the road to the formation of an organized *dagong* subject is blocked, as soon as there is an opportunity, the workers will have no reservations in undertaking various types of short-term, spontaneous collective action, such as strikes. When their collective action suffers suppression, it will beget and spread all kinds of rebellious collective behaviour, ranging from ordinary labor protests to resistance in their everyday lives.

If we step away from the tendency towards an essentialist reading of class, the specific worker-subject of *dagongmei* not only embodies the relations of production, but also social and cultural discourse, the relations of

consumption, social networks, family relationships, gender metaphors and social resistance. If the traditional class subject is the result of a process of othering and an abstract political form, this new *dagong* subject is a "return to the actor" (Touraine, 1995, 207). Just as Alain Touraine has argued, he (or she) is "a call to transform the self into a social actor," whilst at the same time the subject must still strive to resist erosion by the power of the state and the market.[7] This is a return to the experience of the individual, the realization of his (or her) self-determined status in relation to others. Beginning with this realization, the individual decides to adopt action in collective or individual form. This is a firm return to the self, whereby mastering one's rights as a subject can guard against political hegemony. The *dagongmei* are female worker (*dagong*) subjects, and their social resistance should not be reduced to traditional class struggle, because their resistance is not like the workers' (*gongren*) struggles delineated in the traditional sense. Their social resistance is the opposition of workers (*dagongzhe*, 打工者) to the system and capital, and it is also a challenge posed by females to the patriarchy.

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7 Through his articulation of the concept of the "social actor," Touraine attempts to decentralize the notion of class subject, because it is too susceptible to being incorporated into the overall agenda of the state. Touraine argues that a social actor is not one whose actions are determined by their economic position, but rather, "someone who modifies the material and, above all, social environment in which he finds himself by transforming the division of labor, modes of decision-making, relations of domination or cultural orientations." A social actor is a person striving to liberate himself from both individualism and collectivism, whilst at the same time being always ready to adopt forms of unrestrained social resistance and to undertake action for social change. See Touraine, 1995, 207.

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CHAPTER 5

The Class Formation: Control of Capital and Collective Resistance of Chinese Construction Workers*

*Pun Ngai, Lu Huilin, and Zhang Huipeng***

A Song for Wages Unpaid
Working for a boss, we can take sweltering heat and bitter cold,
But we can't take no wages.
Workers, don't stay silent, reticent,
We just need to make our voice heard.
How many years have you given,
Changing the city's complexion.
We have to fight for our labor rights,
Unite.
Get back our wages.
WRITTEN BY DA JUN (大军), Construction Worker

In June 2008, at a construction site at Taoyuan (桃源) Village[1] in the suburbs of Beijing (北京), a construction worker named Old Zhang (老张) was anxiously

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waiting for his boss to issue his wages. Back at home, the wheat had already fully ripened and was waiting for him to go back and harvest it. Old Zhang had been doing construction for over 30 years, and on this occasion, he had brought with him around a dozen plasterers from back home to work for his head contractor. From the beginning of the Lunar New Year in spring up until now, aside from 100–200 *yuan* in living allowances, they had not yet received a penny of their wages. A week ago, Old Zhang went to the head contractor, representing over ten workers in requesting that their unpaid wages should be cleared up. At the time, the head contractor had been full of promises. The day they had agreed on was almost upon them, but the head contractor said that for the time being, he didn't have that much money and asked them to wait a bit longer. The workers were angry, but there was nothing they could do, and all they could do was agree to wait a few more days.

The final deadline arrived, but there was no sign of the head contractor. The laborers made their way to the project department of the construction company to demand their money. The manager of the project department called the head contractor, telling him to get his skates on and come and deal with the issue. Finally, the woman boss (the head contractor's wife) turned up and was surrounded by the workers, who told her to clear up their wages. She said that the work on the construction project hadn't been finished yet, so she couldn't give them their money. She told them to go back home to harvest their wheat and come back to the site later to finish off their work there, and only then she would give them their wages. The workers were furious at this; one of them flung the bowl he had been eating out aggressively to the ground. If it wasn't for the fact that the boss was a woman, it was likely that the workers would have already come to blows with her by that point. Several of the workers went off to buy hammers and threatened to smash up the work they had already done. Some of the workers threatened that they would go to the Bureau of Labor (劳动局) and sue the boss. Old Zhang told the woman boss that she had to sort out the problem of their wages, for otherwise he didn't dare to imagine what the workers would do in anger.

At 11 o'clock that evening, the head contractor sent someone over with 30,000 *yuan*, saying that in a few days they would be given more, and that the rest wages would be cleared up only after the workers returned to Beijing. In

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gongmin yishi de tansuo" (The living space of the new generation of migrant workers: an exploration of class consciousness and civic awareness). Pun Ngai: Hong Kong Polytechnic University, Department of Applied Social Sciences, Lu Huilin: Peking University, Department of Sociology, Zhang Huipeng: Peking University, Department of Sociology.

1 "Taoyuan Village" is a pseudonym.

a helpless position, all Old Zhang could do was split this money amongst the workers and tell them to go back home and harvest their wheat, whilst he himself would stay behind and wait for the remaining money. In the early hours of the next morning, a little past two o'clock, these workers boarded the bus home.

This scene at Taoyuan Village, both saddening and infuriating, is being played out time and time again at construction sites all over the country. It is common that the head contractor will conjure up all kinds of ways to send the workers back home, promising that their wages would be cleared up at the end of the year and even giving them an IOU. However, when the workers turn up to demand their wages at the end of the year, they would be beset with setback after setback. The head contractor will either claim that there is no money and just keep putting them off, or he will simply flat-out refuse to acknowledge the debt. Almost every construction worker has had some experience of chasing up wages. It would be fair to say that unpaid wages has become a deep-seated problem within the construction industry. An analysis of the conflicts and clashes connected to the failure to pay wages demands that we broaden our horizon to squarely face up to the capitalist relations of production and adopt a class perspective, which, though often dismissed as old-hat, can actually be something fresh and illuminating.

1 The Significance of Class Analysis to Chinese Social Science

It is widely known that the centrality of class analysis is a fundamental principle of the Marxist doctrine. However, from the middle of the twentieth century onwards, almost half a century of development in Western Marxist theory has basically created a process of skepticism and refutation of this principle. Western left-wing intellectuals have been deeply perplexed by a phenomenon within Western society: why is it that the working class, who have been accorded hope by Marx, have been so slow to rise up and take up the mission that they are apparently meant to shoulder?

In other words, why is it that the revolutionary subjectivity of the working class has been so slow to appear? In their attempted explanations, they have approached the question "why hasn't it happened" from different angles, yet together they have built an enormous space where deviation may exist between class structure, class consciousness, and class action. For Marx, although "class in-itself" is differentiated from "class for-itself" (*Klasse an sich—Klasse für sich*), the inherent uniformity of class structure, class-consciousness and class action is predetermined. The transformation from "in-itself" to "for-itself" is a

naturally occurring historical process. Marx believed that the mode of capitalist production would inevitably lead to simplification of the class structure and sharp class antagonism: "Our epoch, the epoch of the bourgeoisie, possesses, however, this distinctive feature: it has simplified class antagonisms. Society as a whole is more and more splitting up into two great hostile camps, into two great classes directly facing each other—Bourgeoisie and Proletariat."[2]

The revolution foreshadowed by Marx never actually came, but instead quite the opposite, following the Second World War, the West ambled towards a path of relative prosperity and stability. In order to bridge the chasm between the reality of Western social progress and Marxism, Western post-Marxist scholars have developed a whole series of elaborate explanations, three of which are particularly influential. The first is the theory of "a crisis of ideology," arguing that the capitalist state machine has created a stream of veiled ideology, which together with consumerist culture, has successfully obstructed the development of the workers' awareness of class.[3]

The second is the theory of "plurality of positions," which criticizes the "economism" and "class reductionism" of traditional Marxism, arguing that economic interest is only one of the dimensions by which workers delineate their self identity, and that multifarious social factors such as gender, ethnicity, religion and culture, all participate in the construction of a worker's identity. In other words, there is no a priori guarantee that workers will come to recognize their plight and their interests according to their location in the relations of production, let alone undertake class action.[4]

The third is the theory of "middle class," which draws to our attention the trend for a process of Western workers becoming middle class. From the perspective of economic exploitation, the middle class is in the same position as the ordinary worker, in that they do not own the materials of production, and share the same attributes as the working class. However, in terms of the alienation experiences during a life of labor, because the middle class can manipulate knowledge, skills and organization, and has a certain amount of autonomy at work, it is less common for them to feel the alienation experienced by

2 Marx and Engels, *The Communist Manifesto*, tr. Central Compilation and Translation Bureau for the Works of Marx, Engels, Lenin, and Stalin (1964) Beijing, People's Publishing House.

3 Lukács, G. *History and Class Consciousness* [1922] tr. Du Zhangzhi, (1999) Beijing, The Commercial Press (Ch); Gramsci, A *Gelanxi wenxuan*, (*Selected Works of Gramsci*), tr. Central Compilation and Translation Bureau for the Works of Marx, Engels, Lenin, and Stalin, (1992) Beijing, People's Publishing House (Ch); Wood, E. M. *The Retreat from Class: A New 'True' Socialism*, tr. Shang Qingfei, (2008) Beijing, Suzhou People's Publishing House (Ch).

4 Laclau, E. and Mouffe, C., *Hegemony and Socialist Strategy*, London: Verso, (1985).

the working class. Thus the class positioning of the middle class is more contradictory and vague.[5]

Placing the blame for the loss of the workers' revolutionary nature on capitalist ideology constructs the independence and dominance of politics and ideology. For this very reason, these scholars have been eager to view Maoism (毛泽东思想) during the Cultural Revolution (文化大革命) as some kind of magic wand, and they use the ideology of socialism as a weapon to resist against capitalist hegemony. However, in doing this, what they were actually doing was departing from the essence of Marx's class analysis and removing the relations of production and exploitation from their central place in social structure. The middle class theory looked at the changes that occurred in the structure of Western societies themselves. However, it was lacking a third world perspective. As such, it failed to grasp the nature of class formation in the West as the historical phase that it was in the context of inequality in the division of labor in the global economy. In fact, quite to the contrary, this made it easy to view class formation in Western societies as simply a matter of course. From this perspective, post-Marxists overlook the structural changes that happened within Western societies, whilst at the same time, over-exaggerating the utility of ideology. Bidding farewell to the working class in the West was not just a consequence of ideology, and it also had an objective social basis. In short, the first world of the West exploited the third world, and to a great extent class contradictions were transformed into contradictions between nation states in order to maintain an enormous army of emergent middle class workers, thus weakening the revolutionary subject of the working class. At the same time, in third world countries, this shift had caused even more serious class contradictions.

Returning to China, the Reform and Opening (改革开放) has been a gradual and historical process, drawing China into the global capitalist system. As China has become the factory of the world and the construction site of the world literally, a two hundred million strong group of migrant workers has been formed. Over 30 years, these workers and the lives they face have attracted widespread attention and have even become a major issue with which Chinese social science is commonly concerned. However, there is important divergence in opinion over critical questions like the social status of migrant workers and the causes that have led to the plight that they face. One of the central arguments is whether or not we should use a class perspective to look at the migrant worker problem.

5 Wright, E.O., *The Debate on Classes*, London and New York, Verso, 1989.

The dividing line between the social stratum perspective that currently occupies a mainstream position and the new class perspective is not whether the relations of capitalist production exist within the Chinese experience. Instead, it is in the different verdicts about the nature of society and social conflict within the capitalist relations of production, and in whether the social conflicts today are built on the basis of fundamentally antithetical interests, or whether they can be mediated or avoided. A social stratum perspective refutes the structural factors of the antagonism inherent in the capitalist relations of production and argues for the possibility of mediation between the interests of different social stratum and of social mobility. The social stratum perspective eagerly awaits solutions to the migrant worker problem through channels such as improvement of allocation systems, better legislation and law enforcement, and an improvement in the level of migrant workers' education. In other words, they believe that through tireless efforts to create a better institutional culture, social conflict can be mediated.

Some scholars even perceive the very appearance of migrant workers to be a manifestation of the upwards social movement of peasants and do not pay the slightest bit of attention to the exploitative relationship behind the creation of this kind of migration. A classic example of this is the explanation offered by Xu Jing'an (徐景安), the author of *Zhongguo Zouxiang* (中国走向, trans. as *Trends in China*): "No judgment about China's reforms can escape from the context specific to China, and what is particularly important to get straight is that we are currently in the midst of a historical phase. . . . but migrant workers think 'this is always going to be an improvement on the countryside,' they actually like being exploited. It's not just that migrant workers lack 'class awareness,' the whole of China is the same—more than happy to be the factory of the world, welcoming capitalist exploitation."

A class perspective, on the other hand, gives prominence to the structural basis of the conflicts of interest inherent in the relations of capitalist production, emphasizing the unavoidable labor conflict between the capitalist class and the working class. It argues that only if the lost, misplaced, and twisted class discourse is rescued, can we directly face up to and respond to the structural roots that produce conflicts of interest and create social injustice. According to the class perspective, the migrant worker problem is mainly a manifestation of the unequal relationship between the capitalist, who occupies the means of production, and the laborer, who has lost the means of production. Proposing the issue of migrant workers not only presents the need to deal with the common topic of class conflict within the capitalist relations of production, but it also pays particularly close attention to a special subject, which has been formed owing to the making of the Chinese working class in the process of post-socialist transformation.

The class perspective argues that any solution to the migrant worker problem is inevitably linked to the birth and resistance of a migrant worker class subject, that any solution is inextricably linked to changes in and the rebuilding of capitalist social relations, and that any solutions are also inseparable from substantive change in the relations of production and allocation within the structural status quo. Shen Yuan (沈原), in an article entitled "Social Transformation and the Reproduction of the Working Class" ("社会转型与工人阶级的再生产") advances a class perspective for understanding the migrant worker problem. Shen proposes that capitalism, through its expropriation of the means of production and the relations of production, in the end finds it impossible to avoid causing the exploitation of labor. Those migrant workers who work in foreign invested or private enterprises in the coastal regions of China are currently forming a working class in the Marxist sense of the term. Aside from selling their own labor to capital, they have nothing.[6]

The paradox is in that, right at the moment when Western social theory has been bidding farewell to the working class, China has been in the midst of genuinely facing the process of the difficult birth of an enormous working class. In order to clear the way for a neo-liberal discourse that emphasizes individualism, professionalism, equal opportunities, and open markets, the discourse of class in China was, intentionally or otherwise, distorted or stifled. In this sense, for the two hundred million migrant workers who have been hurled into the relations of capitalist production, there is really something in the notion of "having been born at the wrong time." However, they are using the most direct, spontaneous forms of resistance against the exploitation that has been forced upon them, tenaciously revealing to the world the class structure and class antagonism that have been concealed by multiple forces, and they are calling for the legitimacy of their own existence as a class.

For two years by now, we have been researching migrant workers on construction sites—their negative encounters, their feelings, and their live experiences of labor, life and resistance. This research has compelled us to revive the class perspective, which is apparently "behind the times." We came to see that from "in-itself" to "for-itself" the complex, changeable relations between class structure, class awareness, and class action would be a thorny process, a constant trial of strength against mainstream ideology, but nothing could cancel out the necessity or centrality of a class perspective. In fact we came further towards understanding the great significance of the class perspective to Chinese social research.

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6 Shen Yuan "*Shehui zhuanxing yu gongren jieji de zaixingcheng*" (Social Transformation and the Reproduction of the Working Class) in *Sociological Studies*, No. 2, 2006, (Ch).

2 The Concept of Class and Class Formation

To Marx, class is a notion of antagonistic relations caused by different possession of the means of production. One of the two opposed parties is the capitalist. Capitalists rely upon squeezing the surplus from labor to achieve growth in their capital; they reproduce capital relations on an expanded scale by making expansions in the scale of reproduction or accumulation. The other party is made up of hired workers—the proletariat, which depends on selling their own labor to obtain the means to live. Marx went further to point out that meaning of proletariat implies freedom in two different senses: "As a free man he can dispose of his labor-power as his own commodity, and that on the other hand he has no other commodity for sale, is short of everything necessary for the realization of his labor power."[7]

Marx's concept of class is built upon the objective class structure of the capitalist relations of production, and what is emphasized is the conflicts of interest and the clashes inherent between the working class and the capitalist class. He does not, however, pay particular attention to how working class consciousness is formed, and how the self-identity and the emotional leanings of the working class impact upon their collective action. In other words, Marx did not provide us with a theory from a micro-perspective to explain the mechanism behind the formation of class. As such, we draw on the treatises of Thompson and Katznelson to complement our explanation.

The Making of the English Working Class is dedicated to solving the problem of the mechanism by which class is formed. Thompson points out, "The working class made itself as much as it was made." What he emphasizes is the initiative of the workers themselves within the class formation process, highlighting in particular the important role of the workers' labor and life experiences in the process, by which class consciousness develops. At the same time, he emphasizes that the formation of class is a dynamic historical process: "If we stop history at a given point, then there are no classes but simply a multitude of individuals with a multitude of experiences . . . Class is defined by men as they live their own history, and, in the end, this is the only definition." Thus "class itself is not a thing, it is a happening."[8] Thompson understands this moving historical process as the process of class struggle. It is only through long-term

7 Marx, *Das Kapital*, tr. Central Compilation and Translation Bureau for the Works of Marx, Engels, Lenin, and Stalin (1964) Beijing, People's Publishing House, 2004, 192, (Ch).

8 Thompson, E. P., *The Poverty of Theory: and Other Essays*, New York, Monthly Review Press, 1978, 295.

conflict and learning through struggle that the formation of class can be completed in the end.

Katznelson, having made comparative studies of the history of the formation of class in different countries, including Germany, France and America, went further to propose four levels upon which we can understand the formation of class: class structure, socio-economic organization, shared dispositions, and collective action.[9] He posits that in any given space and time of history within different societies, the formation of class will reveal different kinds of complex and changeable forms. However, the prerequisite conditions provided by the capitalist relations of production for the formation of class are the most fundamental, in that they decide the different positions within a society. In short, they establish a society's class structure.

Class structure, together with socio-economic organization, builds for us an understanding of the formation of class on a socio-economic level. The class map built by these two levels is mainly one of the objective position of a person within the networks of relationships shaped by the ownership of the means of production—his or her labor, dwelling, and lifestyle. However, there is still no way to locate the positions of consciousness, culture, or politics on this kind of class map. The levels of disposition and collective action manage to make up for this major shortcoming. Shared dispositions are the thoughts and feelings formed by workers on the basis of their experiences of life and labor. They pertain to judgments about how the social structure should be viewed, how to understand justice, how to see the reasons behind the creation of the current situation of the workers, and whether or not this can be changed.

Katznelson takes care to point out that when it comes to the level of collective action, we must be mindful that workers with shared dispositions will not necessarily automatically move towards jointly undertaking collective action. Workers' use of collective action in the form of movements and organization has exerted influence on society and thus changed their own fate, which is a constant process of mobilization and triumphs in overcoming obstacles. Disposition and collective action constitute the cultural and political level upon which we can understand the formation of class. If we combine this with the socio-economic level, then we acquire a more comprehensive and at the same time more complex view to understand the formation of class.

9 Katznelson, I. and Zolberg, A. R., *Working-class Formation: Nineteenth-century Patterns in Western Europe and the United States*, Princeton University Press, 1986.

3 On the Construction Sites with the Workers

Through 30 years of Reform and Opening, China has already become the construction site of the world. China, at present, has the world's largest construction market: the volume of construction accounts for over half of the world's construction; the volume of consumption of concrete and reinforcement metal accounts for half and one third of world consumption respectively.[10] The rumbling great construction sites have contributed to the emergence of a breathtaking material culture and made a striking contribution to China's economic growth. For years by now, the construction industry, combined with the real estate industry, has continued to be an important branch of the national economy. In 2008, for example, the contribution made by the construction industry and the real estate industry to the growth of GDP exceeded 10%.[11] However, construction workers like Old Zhang, whose blood and sweat have been shed on these great construction sites, have never received the attention they should deserve.

It was at the end of 2007 that we began to venture onto the construction sites, coming into contact with construction workers on a large scale. We selected Taoyuan Village in the suburbs of Beijing as the location for our fieldwork. Taoyuan Village is situated to the northeast of Beijing, outside the Fifth Ring Road, and is typical as a community of people not local to the area. According to government plans, this village is on the verge of being demolished, and a large-scale development and construction of commercial housing is about to begin. When we first went to this village, the expropriation of agricultural land had already been completed, and the first signs of a group of mansions had appeared on the northern side of the village. The construction workers were in the middle of working overtime to make sure they hit the completion date. The construction site was in a flurry of activities, enveloped in dust. Each evening, a large number of construction workers were to be found on the main road to the north of the village. It was this construction site and these workers that captured our gaze, turning our attention to this particular construction site and these workers.

It was as we attempted to approach the construction site and got closer to the construction workers that we realized that their plight was in fact far worse than we had once imagined. Although the new Labor Contract Law (劳动合

10 Ministry of Housing and Urban-Rural Development. Website: http://www.cin.gov.cn/ldjh/jsbfld/200809/t20080924_177077.htm.

11 Speech by an official from the Ministry of Housing and Urban-Rural Development, see: http://www.hsw.cn/news/2008-03/17/content_6865658.htm.

同法) had already come into effect, almost none of the workers on this site had a labor contract. They would work for over ten hours a day, their work was intense, and their living conditions, including what they were eating, were poor. Even harder to accept was that they were not even able to get their wages each month. Even worse, they worked away a whole year, but they could not even get their hands on their wages at the end of the year. Over a period of two years, we focused our visits on five of Beijing's construction sites, came into contact with over 1,000 workers, and interviewed over 100 of them. The majority of these workers came from major labor-exporting provinces including Hebei, Henan, Shandong, Sichuan, Jiangsu and Hubei. The majority of our interviewees were men, but we did interview a small number of women, and almost every type of work was represented amongst our participants—who were both skilled and unskilled workers—including carpentry, steel work, work with cement, plastering, and plumbing. We also interviewed head contractors, company management, project managers and so on. Our research did not stop at the construction sites: we also made use of the Chinese New Year, the spring wheat harvesting, and the autumn harvest season, following the construction workers back to their respective homes in the countryside. Altogether, we undertook research in rural China three times, going to four different areas of countryside in Baoding (保定) and Xingtai (邢台), both in Hebei Province (河北省).

Construction workers are China's new working class subjects. According to the second national economic census of 2009, by the end of 2008, China had a total of 39,011,000 people working in the construction industry, amongst whom those working on-site actually doing the construction work were basically all migrant workers. Drawing on both the theories of Marxism and Western Post-Marxism to inform our perspective, we attempt to locate China's migrant worker problem within the larger context of the historical processes of social transformation, and the formation of the working class. The central question, the one with which we are most concerned, is that of the process of proletarianization. Aside from sharing the basic characteristic of being migrant workers, construction workers also have their own important characteristics as a group. In comparison with the factory workers in southern China, these construction workers had much closer links with the countryside. Many of them, during busy seasons in farming, also engage in agricultural production, and they most identify with a rural or farming identity. These characteristics of construction workers enabled us to better observe the difficult process of proletarianization of the migrant worker group, as well as the many different obstacles and resistances they encounter as a new working class in formation.

In this article, we observe and investigate how, within the context of the multi-layered subcontracting system, capital controls labor, and how workers carry out resistance. What are the particular characteristics of construction workers' resistance? How do the experiences of workers, which are accumulated over long periods of time in their daily lives, form their class consciousness? And how do the state and capital shape the new working class? What kind of class identity and subjectivity will workers possess? We carry out our investigation from a perspective encompassing the interactions of all three parties: the state, capital, and laborers.

4 The Semi-Proletarianization of China's Migrant Workers

The class formation of China's migrant workers displays both similarities to the experiences of Western industrializing nations and its own historical uniqueness. After 30 years, the proletarianization of China's migrant workers remains unfinished, so that a vast army of hired laborers has been sunk into the plight of "semi-proletarianization."

Marx drew upon the experiences of Britain to understand the formation of the working class. In Britain at that time, as the industrial revolution got underway, large swarms of labor moved from the countryside to the towns and cities, and peasants were transformed into workers. What Marx concentrates on in *Das Kapital* is the conflict between workers and capital. He argues that the exploitation of the workers' surplus value by capital will spark resistance from the workers, transforming them from a class in-itself to a class for-itself. It is within the conflict between capital and labor that Marx understands capitalism. The capital to which he refers to is capital in the typical sense; and the labor that he understands is labor built on the foundations of a free and equal social contract. An equal contractual relationship has been arrived at between the worker and the capitalist.[12]

However, since the beginning of the Reform and Opening, the reality in China is that the process of industrialization has triggered great waves of labor moving from the countryside to the towns and cities, but institutionalized obstacles mean that this labor force has no way of truly transforming into

12 Chakrabarty, D. "*Gongren jieji shenghuo he gongzuo zhuangkuang de renzhi tiaojian: 1890–1940 nianjian jia'erda de guzhu, zhengfu he huangma gongren*" (Rethinking Working Class Living and Working Conditions: 1890–1940 the employers of Calcutta, government and jute workers) in *Subaltern Studies*, Liu Jianzhi and Xu Zhaolin (eds.), Beijing, Central Compilation and Translation Press, 2005, (Ch).

workers. It is hard for a free and equal contractual relationship to get established between themselves and capital. The emergence of migrant workers is a phenomenon difficult for Marxist theory to deal with. In today's China, proletarianization is a process not merely manipulated by capital, but what is even more difficult to ignore is the important role played by the state.

The laborer of Marxism is a labor subject in possession of labor relations. The process of the subsumption of labor under capital, which Marx addresses, occurs after the laborer has entered the field of production, and the result of subsumption is the expropriation of the value of labor by capital. Meanwhile, for the migrant workers who form part of our discussion today, before they have even entered the field of production, their labor relations and identity as a labor subject have already experienced the process of subsumption under the state and the Chinese system. After they have stepped into the city and into the field of production, they are faced with a further process of subsumption under capital. In other words, China's migrant workers have experienced a process of "double subsumption." This means that the extent of the expropriation of their labor value is much more serious.

In order to adopt a class perspective with which to understand today's migrant construction workers, aside from developing an understanding of class structure and class relations on a macro-level, we must also understand the complex process of the formation of their class identity and status. Although the great majority of the migrant workers working within the construction industry have a plot of land back at home in the countryside, from the perspective of the relations of production, they have already become typical hired workers, no different to the proletariat in Lenin's analysis of Russia a century earlier: "(All they have is) insignificant farming on a patch of land, with the farm in a state of utter ruin, unable to exist without the sale of labor-power, an extremely low standard of living (probably lower even than that of the worker without an allotment)."[13]

From the perspective of identity, China's migrant workers have become thrown into an extremely sorry state. On one hand, because a certain amount of rural land has been retained, the reproduction of migrant workers' labor has partially been left with the countryside to deal with. Thus the state and capital are constantly strengthening their rural identity. On the other hand, in the city, they have no legitimate identity as a labor subject; the state is also absent in the process of their reproduction of labor. They are neither peasants nor workers,

13 Lenin, "The Development of Capitalism in Russia" in *Collected Works*, Vol. 3 tr. Central Compilation and Translation Bureau for the Works of Marx, Engels, Lenin, and Stalin (1984) Beijing, People's Publishing House, p. 147, (Ch).

so their identity has become ambiguous. Returning to Marx's reflections on the alienation of labor, the alienation to which Marx referred was alienation within the field of production: because the laborer and the means of production were separate, the laborer had no way of controlling his (or her) own labor process or the products of that labor. However, for the migrant workers today, aside from alienation in the Marxist sense, there is a further kind of alienation on a deeper level, which is the alienation of their being labor subjects yet with an identity as migrant workers (*nongmingong*, 农民工). What migrant workers are experiencing is a process of double alienation.

For construction workers in China today, the distinctiveness of the formation of the working class is precisely that they are locked in a state of double subsumption and double alienation. The state system, by maintaining their identity as *nongmingong*, is already demeaning the value of their labor before capital even gets to expropriating their labor value. The migrant worker identity represents a lowly social subject status. Before they enter the field of production in the city, they have already been branded as second-class citizens and inferior laborers. This is the political secret behind the identity of contemporary China's migrant workers, who exist in a state of semi-proletarianization. This is the harming effect that the system has upon them, and this harm is further used by capital, becoming a basis for capital to better control and exploit construction workers.

5 The Transformation of the Relations of Production in the Construction Industry

After 30 years of Reform and Opening, profound changes have occurred within the Chinese economic structure. The non-public ownership economy has seen enormous development; even state-owned and collectively-owned enterprises have, through reform, transformed their style of operation. The aim of the latter has transformed from seeking social benefit to seeking economic benefit, and there is already very little difference between their labor relations and those of non-public owned enterprises. Following on from this, fundamental changes have occurred in the production relations that dominate Chinese society. This transformation is most clearly visible in the construction industry.

Within the construction sector, before the reforms, China's construction projects were all taken on by state-run construction companies. All of the funds needed for the construction projects were allocated from state finances and were incorporated into the fixed assets investments of that year. The workers in construction companies were, for the most part, fixed workers, who

collected their wages on a monthly basis. They had similar social status and welfare allocations as those enjoyed by staff at state-owned enterprises in other industries. Under the labor relations of the socialist era, construction enterprises were not simply a place where production took place, and they were also a place that took care of their people. They would take responsibility for cradle-to-grave welfare and security. At the same time, at an ideological level, the state was propagating the notion that members of the working class were the masters of the country, taking great care to develop class sentiments. Labor was championed as honorable, and the labor value of those doing manual labor was respected.

The construction industry was the earliest to introduce economic reforms. From the beginning of the 1980s, the state started to introduce a whole series of major reform measures towards marketization in the construction industry. The management system was restructured, the construction market was opened up, state-owned construction companies were permitted to manage themselves independently, and mechanisms were established for competitive bidding for construction projects. With the guidance of state policy, came the burgeoning of a modern contracting system. The contractors from within state-owned enterprises were out on their own, becoming independent from the enterprises at which they were originally based, and the enterprises began to hire rural labor, which was to become one of the first groups of modern contract workers. Meanwhile, some tradesmen who were teaching more inexperienced workers or apprentices in the countryside also began to lead people away from their own villages to find work in urban areas. This formed another enormous army of contracted labor. These earliest teams of contractors completed the primitive accumulation of capital.[14]

Along with the change in the composition of the system of ownership of these enterprises were changes in the system of using labor in the construction industry. In accordance with national plans for reform, state-owned construction enterprises were, on an enormous scale, to use rural laborers as teams of contractors. At the same time, they were to recruit great swarms of rural laborers as contracted workers to replace the fixed workers. The proportion of fixed

14 At that time, the earliest group of head contractors emerged in China; they became one of the first groups to become wealthy. It was common that these people had a low level of education, and they were not from influential family backgrounds, but relying upon contracting construction projects, they built up fortunes almost over night, engendering a flood of success stories. It was the policies of the state that made these people. On today's construction sites, it is still possible to hear people speak of their stories from those days. Nowadays, these people have already become bigger fish as capitalists.

workers within state-owned enterprises shot down, and they were gradually separated from the frontline of production, becoming the company's skilled and management staff. Following this, construction companies began to draw heavily on armies of rural contracted workers led by head contractors, forming a system of recruiting and using labor shaped by layer upon layer of subcontracting in the construction industry.

The market reforms in the construction industry also meant changes in the relations of production. The construction workers today are already completely different from workers in the state-owned enterprises during the socialist era. They possess no means of production and are already free to the extent that they have nothing. All they can do is rely on selling their labor to support themselves and their families. For them, their wage income from working on the construction sites has already become the main source of their family's income. Their relationship to the boss of the company is entirely one of hired labor. They are the subjects of China's new working class.

6 The Subcontracting Labor System and the Control of Labor

In contemporary China, construction workers are entirely typical as hired laborers, whilst at the same time the multi-layered subcontracting system of the construction industry thrusts workers into an unusual dilemma, in which their labor relations have gone astray. The control of labor by capital reflects not only universal characteristics but also characteristics particular to China.

In today's construction industry, regardless of the region in which a construction site is found, the type of construction or the form of capital, the frontline work is almost entirely taken on by teams of contracted rural workers, with the head contractor at the heart of operations. Under this system, hundreds of thousands or even millions of migrant workers from rural China have poured into the cities to become construction workers. Often, these migrant workers will be led to the construction site by individual head contractors. They participate in production under the direct management of this head contractor and then collect their wages from the same person.

Multi-layered subcontracting is a fundamental characteristic of the subcontracting labor system in China today. Following layer upon layer of subcontracting, a kind of temporary management hierarchy in the form of a pyramid is created on the construction site. At the very top level of this pyramid is the developer (or in a municipal government project, the government), and at the very bottom are the construction workers. In between are multiple levels composed of construction companies, labor agencies, contractor teams, those leading the workers and so on. There are at least four levels and at most over

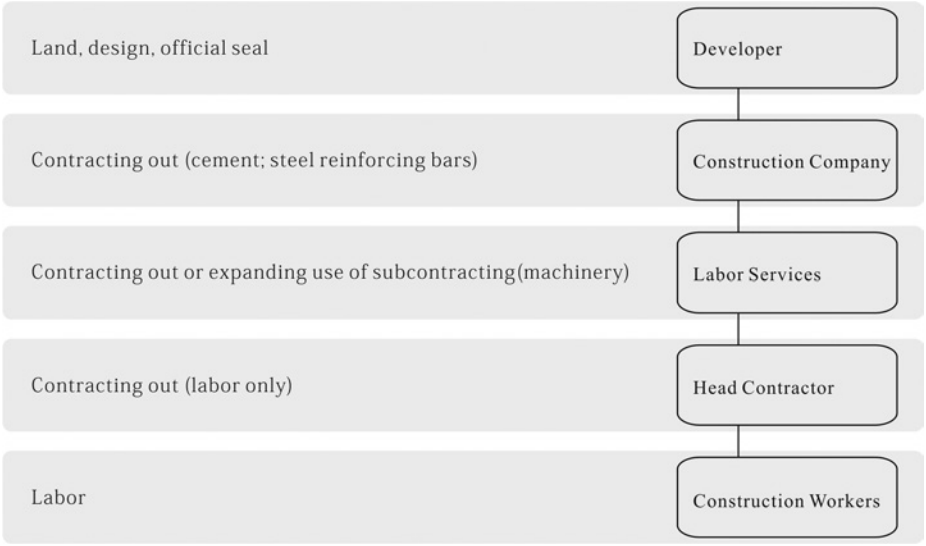

FIGURE 5.1 *Basic structure of the subcontracting system.*

ten. In Figure 5.1, we have used a simplified five-layer contracting system to further illustrate the basic structure of this labor subcontracting system.

The developer is located right at the very top of the subcontracting system. This is the party that initiated the entire construction project, yet they have almost no involvement in the actual construction work. Instead they adopt methods such as inviting tenders, to contract the work out to one or more construction companies. On the basis that they fit the qualifications required for the construction project, the construction company putting in the lowest bid will normally be successful.

After the construction company has taken over the specific construction project, they will only participate in part of the management of the project. The specific production tasks are often broken down and further subcontracted to other construction companies; these companies then subcontract the work out again to specialist labor agencies or to individual teams of contracted workers. Some of these teams of contracted workers do not have the requisite qualifications to undertake the construction, but may instead be affiliated underneath labor agencies that do qualify, taking a backdoor approach to begin work on the project.[15]

15 See "*Baogongtou zhidu de lishi chengyin yu zhidu quxiang*" (The historical reasons behind the formation of the head contractor system, and the orientation of the system) in

The labor agencies, or the top-level head contractor, may be directly responsible for the recruitment and management of workers, or they may again break the project down and subcontract out to a smaller-scale head contractor. Finally, following layer upon layer of subcontracting, they directly come into contact with the head contractor of the workers or the *daigong* (带工, the person leading the workers), who are the direct managers of the construction project.[16] They are not only responsible for the recruitment of workers, but also completely in charge of setting the specific plans for daily production, assigning tasks, supervising the labor process and so on. In addition to all of these, after the labor process has been completed, they must also be either entirely or partially responsible for settling wages.

The subcontracted labor system of the construction industry has a whole series of effects upon both the control and resistance of labor on the construction site.

6.1 *Multi-Layered Subcontracting: Who Is the Boss?*

In this multi-layered subcontracting system for the recruitment and use of labor, workers are introduced onto the construction site by someone from the same village back in rural China. They follow the head contractor as they get on with their work, and during their time both on the job and outside of work, they will often only come into contact with this head contractor. They regard this head contractor as their own boss. After multi-layered subcontracting and re-subcontracting, head contractors of all sizes on the spectrum span the gap between worker and the construction company, obscuring the real labor relations. The direct result of this is that when a labor dispute arises, the workers do not know who their own boss is.

In March 2009, at the Beijing Wenquan Zhen Beichen (北京温泉镇北辰) construction site, competing against a bitterly cold wind, a construction worker named Shi Dongdong, climbed up a tower crane, threatening to take his own life. His intention was to fight back for a compensation payment he was owed after an accident at work. Shi Dongdong came from Jiangsu Province. In October 2008, he accompanied a head contractor named Li Longfa from the

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Information of China Construction, 2007, No. 1, 51, Ministry of Housing and Urban-Rural Development, Policy Research Center Research Team (Ch).

16 *Daigong* (or person leading the workers), is a term often used by the workers themselves. It refers to those who are responsible for recruiting ordinary workers, yet they are not head contractors themselves. The *daigong* are often like ordinary workers, themselves participating in labor, whilst their wages are slightly higher than that of an ordinary worker.

same village to a construction site in Beijing's Beichen, to work as a carpenter. The main contractor of the construction project was the Beijing Liujian Construction Group (北京六建集团), whilst the labor agency was a company named Beijing Hongjia Jianzhu Gongcheng (北京鸿佳建筑工程). To begin with, in the same way as other workers, Shi Dongdong knew only his own head contractor, Li Longfa, his fellow villager. He knew absolutely nothing at all about the developer, the contractor, the construction company, or the relationship between them. In December 2008, Shi Dongdong fell from the building whilst working 10 metres above the ground. The doctors diagnosed him with a cracked pelvic bone. Following this unexpected work injury, the project manager of the company refused to acknowledge that Shi Dongdong was one of their workers, instead claiming that Shi had been brought there by one of the head contractors, Li Longfa. Li, the project manager argued, should be responsible, and the matter had nothing to do with the company. Shi Dongdong went twice to the Bureau of Labor, but the personnel working there reasoned that there had not been a labor contract, and there was not sufficient evidence. It was on this basis that they refuse to accept the case. For the next six months, Shi Dongdong made strenuous efforts and was put through the mill, just to prove his own identity as a worker.

6.2 *Divide and Conquer—Breaking the Whole into Parts*

The multi-layered subcontracting system for recruiting and using labor not only masks labor relations, but also breaks up the whole project, shattering it into fragments, and as a result the strength of the workers' resistance is whittled down. As a major defining feature of post-Fordism, this flexible manufacturing model, based on specialist subcontracting, can actually be seen in a great many different industries. Yet it is most obvious in the construction industry and is far more extreme there. This multi-layered subcontracting system not only enables capital to achieve flexible accumulation by splitting up the construction project, it also causes the division of workers, making it easier for capital to control them.

The multi-layered subcontracting system first separates the workers into different teams of contracted workers, and at the same time creates divisions within the teams themselves. A relatively large-scale team of contracted workers are usually made up of people from different parts of China, split up and led by their respective overseers. Although they all share the same boss, work together, and usually eat and live together, the workers' social comings and goings are still based on place-of-origin networks, which act as a bond between them. This leads to the formation of different relationships, some close, and others distant. In some instances, people from different places live in the same

dormitories, but they communicate very little with one another. Added to this is that workers move around very frequently, so it is difficult for people from different areas to form meaningful relationships, and it is hard for them to establish feelings of trust for each other. At the construction site in Taoyuan Village, Old Jin, a supervisor with a great wealth of experience, explained to us that the boss usually selected workers from different areas: in this way, even if some of the workers were to make trouble, the other workers would not go along with them and make a bigger noise, which meant that it would not affect the progress of the whole construction project.

6.3 *The Misappropriation of Place-of-Origin Ties*

On the construction site, the relationship between the workers and the boss is that of employer-employee. However, it is common for place-of-origin ties and friendships between workers and their boss, or workers and the management staff, to blur their relationships in terms of rights, interests and obligation. The place-of-origin ties are used by capital, which then becomes able to achieve the aim of controlling the workers through the head contractor.

It is precisely the existence of this type of relationship that makes the boss refuse to pay the workers' wages monthly. Instead they put it off until the completion of the construction project, or even until the end of the lunar year when the workers return home. What was originally a conflict within the field of production is shifted outside of the place of production, again weakening the consciousness and strength of the workers' resistance.

On the construction site, the relationship between the workers and the boss is mainly reflected in the relations of production. Any problems that pertain to direct economic interests can be brought to the table for discussion. However, after returning to the countryside community, the environment in which they find themselves has changed: the place-of-origin and friendship ties between the workers and their boss are more pronounced, and they are constrained by the norms of their local society. There is a common saying about this kind of society of acquaintances: "In the countryside you know everybody, and you're always going to bump into someone sooner or later." The norms of this kind of localized society can constrain the head contractor, and similarly they have an inhibiting effect on the workers. People care about "face," and it is not deemed good to upset or embarrass others, or to take things too far. In Yao Village, Hebei Province, many people showed to us old outstanding IOUs. The person who owed them money was a head contractor from the same village. A fifty-year-old worker told us that every year when it came to Chinese New Year, he would make his way to the house of the head contractor and ask for his money. The head contractor would always say

he had none. The years passed, and in the end even the worker himself was too embarrassed to go to the head contractor's again. Here, we can see that the place-of-origin relationships within pre-modern society can become a resource within modern society, misappropriated by capital to seek the greatest possible benefit.

In summary, the fundamental nature of the subcontracting labor system of the construction industry is that it is obscuring. Under the subcontracting labor system, the relationship between the head contractor and the workers, based on the society in their local village, obscures the labor relations between workers and capital. To migrant construction workers, the dividing line between resistance against a boss and showing tolerance and restraint for a relative or an acquaintance is often totally blurred. "Boss" reflects a kind of labor relationship, whilst "relative" and "acquaintance" connote interpersonal relationships that belong to a pre-industrial society. When labor relations and interpersonal relationships become interwoven, it is common for workers to be able to see only the interpersonal relationship, leaving them unable to get any kind of a clear view of the labor relations.

Marx and those who have followed him have already provided us with penetrating analysis into obscurity as the fundamental nature of the capitalist labor system, proposing that the essence of the capitalist labor process is the simultaneous securing and obscuring of surplus value.[17] However, the obscurity in the construction industry has a further layer of meaning: capital obscures not only the surplus value but also the labor relations, and by obscuring the identity of migrant workers as workers, it secures even greater surplus value. In Marx's time, exploitation was manifested through the extension of working hours and increases to the intensity of work in order to squeeze out as much surplus value as possible. Making good on the value of labor—namely, wages being issued on time—was not a major problem. However, under the subcontracting labor system, making good on the value of labor is spread out over time or is delayed, and sometimes it does not happen at all. By not paying out when wages are due, capital uses the cheapest possible option to secure the profits from the work of the laborer. The existence of the subcontracting labor system means that as today's construction workers actually enter into capitalist relations of production, their labor relations are being obscured one layer at a time, until in the end they are plunged into the plight of losing their labor relations altogether.

17 Burawoy, M., *Manufacturing Consent: Changes in the Labor Process Under Monopoly Capitalism*, tr. Lin Zonghong *et al.*, Taipei, Socio Publishing Co. Ltd., 2005, 154 (Ch).

7 Antagonism between Labor and Capital

Marx asserts that capital eschews the absence of profit or very small profit in the same way that "nature abhors a vacuum, and that with adequate profit, capital is very bold".[18] But capital's profit, in the end, comes from labor and the surplus value produced by the laborer. Capitalist production, in essence, is the production of surplus value and the exploitation of the laborer. In order to chase profit, different capital subjects will enter into intense competition between them. The law inherent to this competition is like a coercive force, urging capitalists to constantly raise the intensity of labor, and to lengthen the hours of labor, squeezing as much surplus value from the laborers themselves as possible. However, when capital's exploitation of the worker surpasses the worker's bottom line, this will spark the resistance of the worker.

Marx's depiction of the inherent quality of capitalism's greed was based upon the 18th Century factories of Britain. In 21st Century China, within the construction industry, we have come to find alarming similarities with history. China's real estate industry has only sprung up in the past decade or so. Yet this has been a period of rapidly expanding wealth, and real estate has become a veritable cornucopia. At the same time as capital in real estate and capital in construction have become rich overnight, vast numbers of construction workers have found themselves sunk into a position entirely without any safety net. Under the construction industry's multi-layered subcontracting system of using labor, a construction project is separated layer by layer. From the little guy to the big boss, all these bosses want to get their hands on part of the profit, while the workers are right at the very bottom of this chain of interests and have to bare the most intense pressure. At the same time as the bosses acquire a high level of profit, the workers have no choice but do excessively long hours of high intensity labor, merely in exchange for meagre wages. However, even with this paltry wage, it is difficult for workers to lay their hands on it. Some workers have no choice but adopt violent methods, climbing tower cranes, blocking roads, sometimes even paying with their own life.

On June 1, 2008, on the construction site in Taoyuan Village, at the same time as Old Zhang and his counterparts were in the midst of demanding to be paid, another group of workers was also in the process of arguing for their wages. They came from Xingtai in Hebei Province, and they had already been on the construction site for three months, from the beginning of the spring to

18 Marx, *Das Kapital*, tr. Central Compilation and Translation Bureau for the Works of Marx, Engels, Lenin, and Stalin (2004), Beijing, People's Publishing House.

the time when the wheat had ripened, waiting to be harvested. They had still not received any wages.

The head contractor was yet to receive the funds for the construction project from the company, so he used their place-of-origin ties, doing all that he could to placate the workers and get them to keep working. He gave his word that as soon as the project was completed, he would give them their wages. The workers and the head contractor were all from the same place. Seeing the certainty with which the head contractor reassured them, and tied by feelings of obligation to not over-upset someone from their own home-turf, the workers agreed to keep working.

After the work was finished, the workers again began to press for their money. The head contractor repeatedly asked the company for money, but the company claimed that the money had still not reached their account, using this as reason to keep stalling. The workers went to the Commission of Urban-Rural Development (建委), but the people from the Commission told them that without a labor contract, there was nothing they could do.

Little Fang, a young female worker, seemed very anxious: "What can we do? We've worked so hard for three months, but in the end they're not giving us our money. How are people from the countryside meant to live?"

Another female worker, Wang Rong, was determined to not be pushed around: "Relax. If they don't give us our money, we will have it out with them, we'll see if they dare not pay us." On the construction site, the female workers had even more pressure on them than the men. They could only do the unskilled jobs in a supplementary capacity to the rest of the work on the site, but even for the same work, the women's pay was far lower than male workers. Incensed and implacable, Wang Rong said to us: "For the first three months we were putting every ounce of ourselves into getting the work done. For the last month we were waiting for our money. Do you want to tell me that doing work like this is easy? When you're working, each boss will squeeze you even more than the last, but when it comes to giving you your money, they just get better and better at stalling. They're hateful!"

"If you run up debts, you pay them off; if you kill a person, you pay with your life. That's just the way it should be. We want our money now, and we're totally confident we've got on our side," the workers fumed.

The workers decided to take action. But there were not enough of them. So, Little Bo got in touch with some people from back home who were working in Changping District (昌平区), Beijing, and asked them to come and lend a hand.

Little Bo said, "Tomorrow, our main troops are going to get here. We'll kick up a good fuss and let them know that workers won't easily be walked all over."

Early on the morning of June 8th, these people from back home rushed on over. They had decided to arm themselves with banners and block up the road. The banners announced, "Give us back the money we've earned with our blood and sweat, so we can go home and harvest the wheat."

The full development of the capitalist relations of production in China's construction industry has established a class structure that is commonly colored with antagonism. However, the subcontracting labor system widely adopted across China's construction industry (i.e. the socio-economic organization of Katznelson's framework for class analysis) has the effect on the workers of obscuring class structure and class relations. The multi-layered contracting labor system, the complex chain of subcontracting, and particularly the existence of the head contractor obscure the real labor relations, making it difficult for the workers to tell who their boss is. On the one hand, the subcontracting labor system uses place-of-origin and the other ties in traditional society, to suppress, ameliorate, and transform the discrepancies and conflicts that occur at the scene where labor takes place. On the other hand, since the contracting system cannot fundamentally solve the conflicting interests inherent to the class structure, in practice, from day one these conflicts are being bottled up, right up until in the end when they explode. The system of subcontracting labor, as a type of socio-economic organization, enables exploitation by capital to be pushed to the very limit. It careens through the boundaries of morality, law and physical limitations, to the extent that the payment of wages, the most fundamental of preconditions upon which the capitalist mode of production is based, becomes a real problem. In the end, this pushes the workers into a corner: they have no way to survive, and in turn this prompts them to strike back. Although it appears to be a simple economic struggle, the demanding of wages actually brings the inherent antagonism between labor and capital, the previously obscured class structure, and class relations all into clear focus for the worker.

According to Thompson's understanding, class consciousness does not come before resistance; but rather the two are mutually intertwined and inseparable. Workers experience exploitation, they become aware of opposing interests, and undertake struggles over these issues. During the process of these struggles, they each realize that they are a class, and their realization of this is class consciousness. Class and class consciousness often appear at the final stage of the historical process and not during the first stage.[19]

19 E. P. Thompson, *The Poverty of Theory and Other Essays*, New York, Monthly Review, 1978, 151.

However, the socio-economic organization of China's construction industry gives the formation of working class consciousness its own particular characteristics, causing it to be more complicated. We can see that terrible labor and living conditions often cause workers to become dissatisfied and resentful of their bosses, and yet this remains as an embryonic form of class-consciousness. It is fragmentary, blurred, and changeable. Then, it is constantly being diluted or strangled by the subcontracting labor system of the construction site. The existence of place-of-origin ties between the workers and the head contractor makes the workers accept labor conditions and exploitation difficult to imagine in other industries, whilst at the same time it makes their dissatisfaction and resentment often stop at the head contractor and change in step with the head contractor's attitude. As such, class consciousness and place-of-origin consciousness often become entangled and displaced, causing a multitude of difficulties in the formation of a clear class-consciousness. Yet the natural proclivity of capital to seek maximized profits will always push the head contractor into an irrevocable impasse. The dissatisfaction and resentment of the workers build up little by little until the moment when they are unable to lay their hands on the wages that they have labored long and hard for when their anger explodes into action, the veil of feelings associated with place-of-origin ties finally peels away. In the action through which they demand their wages, with appeals for the "return of our money earned through blood and sweat" and so on, the resentment that has been built up during the daily life and labor of the workers explodes in this final moment and causes them to reveal a shocking amount of strength.

Action to demand the payment of wages is stirred up and incited by the resentment accrued in daily life. This action also leads diffuse feelings of resentment towards a relatively clear direction, enabling the workers to shake off the complicated entanglement with place-of-origin ties, and a blurred class-consciousness gradually becomes sharper and clearer. During this process, workers gain experience and growth. They come to clearly recognize the true face of their boss, and the difference between workers and the boss. This process helps them to accumulate precious experience for later resistances.

8 The Politicization of Workers' Action

In the past, it has been common for studies of the working class to tirelessly debate one question: whether workers' resistance is of an economic nature or of a political nature. They have understood resistance aimed at fighting for improving labor conditions, higher wages and so forth as a kind of purely economic

struggle. In doing so, they place economic struggle and political struggle into simple, diametrical opposition with one another. They bestow upon the workers' class action a certain teleological trajectory, and in other words, in the end class action must be highly organized and political in form, for only in this way can it achieve the ultimate aim, the self-liberation of the working class.

At this stage, the instances of workers' collective action on Chinese construction sites are almost entirely struggles within the economic sphere, revolving around the non-payment of wages. Moreover, they are defensive struggles, directed at damaged interests. In this sense, it would seem that they could all be treated as economic struggles. However, within a series of struggles during which workers were seeking to argue for their wages, we came to realize that the action of workers always went through a constant process, becoming increasingly politicized. First, even the simplest workers' action involved a complicated process of uniting individual workers to undertake collective resistance. Second, in their resistance, the workers were always unable to avoid coming into contact with the state: they would either directly seek the assistance of the government and cross swords with related departments, or they would draw on relevant laws or policies to resist capital. Irrespective of how they came into contact with the state, through this process, the workers were forging a deeper understanding of the state and the Chinese system. In the context of post-socialist transformation, the state and capital are tightly interwoven, so that the politicization of workers' action is even more unavoidable.

When workers suffer injury at work but are unable to obtain compensation, or when they have worked long and hard for a whole year but still are unable to get their hands on their wages, the first thing they think to turn to is government. Almost entirely without hesitation, they believe that all they have to do is go to the government, and any problem can be solved. However, during the process of resistance, the workers see first hand the role played by government departments during a clash between labor and capital, and they inevitably experience an enormous contrast between their expectations and the reality. There is always a palpable change in their opinion on and understanding of government.

In 2008 after Chinese New Year came to an end, eight workers from Shijiazhuang (石家庄) in Hebe Province arrived in Beijing, where they had come to work at the Malianwa Yicheng (马连洼亿城) construction site. According to the initial agreement they had made with their head contractor, they would be on a rate of 85 *yuan* per person per day. But at some point, their head contractor made a run for it, leaving the project manager of the company to ask them to stay on and continue their work. The project manager promised them that their wages would definitely be paid. When the work on the project

was completed, the company gave the workers 500 *yuan* per person for transport, telling them to return home, but their wages were not paid.

The workers would not accept this, saying that if they did not get their wages, they would go to the Bureau of Labor to lodge a complaint against the company. The company came back, "You can go wherever you want to complain, you can complain to the Bureau of Labor if you want, we don't care." So the workers went to the labor department at the sub-district government, where the staff first asked them for their labor contracts. None of them was able to produce a contract. The staff were only able to calculate their wages in accordance with the Beijing minimum wage, which varied between 35 *yuan*, 45 *yuan* and 65 *yuan* per person per day, and then deducted 10 *yuan* to cover their meals. The workers would not agree to this, instead insisting on the original agreement for calculating their wages. The staff categorically refused to accept the workers' demands:

> If you think you can request as much as you want and you'll just get it, that's just not going to happen. I know, there's just nothing we can do. This guy (the head contractor) has been gone, and there's no way finding him. That's the fact of the matter, isn't it? If we can't find him, what can we do about it? We're going to have to go to the next level up in the company, right?. . . . We can't just give you all of your wages, because this problem, well, we've all got to take a bit of responsibility, haven't we. . . . your direct boss (the head contractor) has gone, and there's no finding him, and that's not something we can do anything about.[20]

The workers were very unhappy with the response of the sub-district government labor department. Liu Xiaobing, a representative of the workers, just could not understand it: how could the staff at the labor department come out with something so unprofessional? Liu Xiaobing could not get his head around why the government had formulated so many laws and was always saying that migrant workers' rights and interests should be protected, yet nothing on the

20 Their past experience told the workers that the government is just not reliable, the attitude of their staff is often really poor, and a common way of dealing with things is to treat workers like they would a football and kick them about, so before going to the Bureau of Labor, the workers had secretly started up a recording device. The intelligence, courage and insight of the workers enabled us to see just what the government personnel's attitude towards and method of dealing with ordinary construction workers is like. The way this official behaved was typical in terms of the situations we came across during our research.

construction site was done according to these laws: "The law now in China is absolutely clear. We have an eight-hour system, and what, you've got the two-day rest thing where you're supposed to get double-pay, but on the construction site it's still like this. You're working over ten hours a day, you're eating this same food, and you live in the crappiest conditions. . . ."

Also involved in the argument to get their unpaid wages, along with Liu Xiaobing and the others, was Ma Bin, a worker from Linzhou in Henan Province. He was out on his own (being the only one from Henan), and he had even less means to win back his own wages. It was their common misfortune that brought them together. After leaving the labor department, they were all furious. Ma Bin, deeply exasperated, exclaimed: "I don't know whether these law enforcers are helping the workers or helping the bosses." Liu Xiaobing put it even more bluntly: "I reckon, the officials are cozying up to the rich. If officials are helping out people with money, who's going to help us? You see?"

The staff at the sub-district government labor department were not going to do anything, so they went to the next level up—Haidian District Bureau of Labor (海淀区劳动局). Yet the staff there also insisted that when there was no contract, all they could do was use the minimum wage to calculate what the workers were to be paid.

Ma Bin was incensed, "At the very least I should be paid for doing specialist work, OK? I'll tell you what I do, and you can go and check. My kind of specialist work, low voltage electrical work, how much does that pay a day?" The member of staff replied, "Don't talk to me about market price. Even if the market price was 30 *yuan*, I could still find someone to do the work. . . ." Ma Bin was speechless.

Capital's aggression and the inaction of government forced the workers into a corner. The next day, the workers took their action to the next level, locking up the doors to the storehouse and the project department, not allowing any staff or vehicles in or out. They were hoping that in this way they could force the company to pay their wages.

The project manager called the police, and a policeman immediately made his way over. After he had found out what was going on, he turned to Liu Xiaobing and the others: "It's your wages you want, and it's only natural that you want your money, but the way you go about things, you shouldn't be affecting their normal production." The policeman took Liu Xiaobing and one other worker to the local police station.

At the police station, the police both coaxed them and tried to intimidate them, persuading the workers to accept the conditions offered them by the labor department and hurry up to take their money and leave, for otherwise they would have to hold them legally accountable and keep them in custody on

criminal charges. The workers would not agree, so the police kept them locked up in the police station. They were shut up there from 11 o'clock in the morning right up to two o'clock in the afternoon, when the project manager turned up, and only then were they released. The company agreed only to calculate their wages at a rate of 65 *yuan* per person per day, but again, the workers would not accept this. On seeing that the workers were determined and not going to budge, whilst at the same time not wanting to let things get any worse, in the end the company agreed to the demands put to them by the workers. That evening, each of the workers collected all of the wages they were owed.

This instance of action gave the workers a much deeper understanding about the local government. They were learning through their struggle. They found that they could only depend upon themselves: only by uniting could they solve their problems.

Incidents of workers' trying to obtain unpaid wages from construction sites around China, always and in various ways, get the state involved. In this respect, the political nature of worker action is very clear. Just as Lenin commented over a century ago:

> The living conditions of the mass of working folk places them in such a position that they do not (cannot) possess either the leisure or the opportunity to ponder over problems of the state. On the other hand, the workers' struggle against the factory owners for their daily needs automatically and inevitably spurs the workers on to think of state, political questions, questions of how the Russian state is governed, how laws and regulations are issued, and whose interests they serve. Each clash in the factory necessarily brings the workers into conflict with the laws and representatives of state authority.[21]

No analysis of the antagonistic conflict between capital and labor can overlook the important role of the state. If the work of Marx revealed the structural effect of the relations of production, and both Thompson and Katznelson have complemented our understanding of the historical, cultural, and political factors in the formation of class, then Burawoy reminds us to pay attention to the political forces that affect labor relations. He particularly draws our attention to the various institutional arrangements and methods of governance put in place by the state to standardize the processes of production and

21 Lenin, "Draft and Explanation of a Programme for the Socialist Democratic Party" in *Collected Works* tr. Central Compilation and Translation Bureau for the Works of Marx, Engels, Lenin, and Stalin (1984), Beijing, People's Publishing House, 87–88, (Ch).

reproduction.[22] In short, the exploration of the control and resistance of labor requires that we understand not only the micro-level operations of capital and labor in production and reproduction, but also the dual nature of the activities of capital and the state.

For a China that has become drawn into the global capitalist economic system, the nature of the state is far more complex than that of Western capitalist states. It bears the weight of the ideological legacy of a socialist state, whilst at the same time having become the helmsman of a post-socialist market economy. This imbues the role of the state with internal tensions. On the one hand, when faced up with frequent conflicts between labor and capital, it must appear as the guardian of the working people, even often issuing laws that surpasses those in the West in its forward-thinking. On the other hand, when actually dealing with labor disputes in practice, because the interests of the local government are tied up with those of capital, it will ignore the interests of the workers, to the extent that legislation comes to nothing, revealing the side of the state which subsumes class and remains close to capital.

In 2003, after the efforts of migrant workers to obtain unpaid wages received media coverage, Premier Wen Jiabao (温家宝) launched what was referred to as a powerful "storm on unpaid wages" throughout the whole country. The Ministry of Housing and Urban-Rural Development (住建部), the All-China Federation of Trade Unions (中华全国总工会), and the Ministry of Labor and Social Security (劳动和社会保障部) each issued documents calling for all departments involved to properly regulate over illegal subcontracting of construction projects, protect the labor rights and interests of migrant workers working in the construction industry, and ultimately find practical solutions to deal with the problem of construction workers' wages. A whole series of policies and regulations were issued, from the central down to the local government. Nothing was left uncovered, from establishing specific bank accounts to the form of wage payments, the entire sequence of processes involved in the payment of wages was considered painstakingly, down to the finest detail. However, without exception, all of this legislation and policy was turned into castles in the air.[23] The state made great promises to the workers, and yet time

22 Burawoy, M., *Manufacturing Consent: Changes in the Labor Process Under Monopoly Capitalism*, tr. Lin Zonghong *et al.*, Taipei, Socio Publishing Co. Ltd., 2005, (Ch).

23 The Labor Contract Law stipulates that the wages of workers should be issued in full by the month. In practice, no construction site is able to do this. In consideration of what can realistically be achieved, the Beijing Municipal Government made a compromise, stipulating that the wages of construction workers should be paid by the season. Even though this was a marked down standard, as far as construction workers are concerned,

after time when the workers would go to a government department for help, filled with confidence, they would, time and time again, leave disappointed.

The tensions inherent in the role of the state further reinforce the extent to which workers' action is politicized and prompts the tendency for it to become more militant. Owing to their performance during labor-capital conflicts, the law enforcement departments of the administration weaken the faith of the workers in the state, in its laws and its policies. Instead, the workers turn to rely more upon their own strength. On the construction sites, we have seen many construction workers who have past experience of seeking help from government departments, upon suffering further encroachments on their rights and interests, often opt to "make trouble," rather than going through legal or administrative channels. They adopt more radical collective action. In capitalist societies, legal and administrative channels are used as institutionalized measures to mediate labor disputes and avoid class struggle. When a post-socialist China emphasizes the rule of law, this actually implies similar considerations. What is paradoxical is that the position and behavior of local government as a close ally of capital means that legal and administrative channels are practically closed off to workers, and the result is actually contrary to the original aim: the workers are pushed towards turning to class struggle. The complexity of the nature of a post-socialist state, and the role of the state, which contradicts itself, inadvertently leads to workers' class action.

9 Moving towards Unity in Resistance

As capitalism has developed, capital has always been excessively powerful, and workers have always been in a relatively weak position. Where then is the power of workers' collective resistance? Wright has provided us with a detailed account delineating the different sources of workers' power. He posits two main sources: the first is "associational power," and the second is "structural power." Associational power refers to the various types of power resulting from a formation of collective organizations of workers. Structural power refers to the location of workers within the economic system and reflects the workers'

this is still a far-fetched, unattainable standard, unobserved by their employees. Actually, it is already quite something if they are able to get just a living allowance by the month. The related government departments are not proactive about implementing the law. Instead, they tacitly accept the status quo.

ability to bargain.[24] This theoretical framework of associational and structural power provides us with a viable framework to use at the mid-level perspective in our exploration of the power of working class struggle and control over workers. Just as Elizabeth J. Perry has pointed out, different types of workers have different types of politics,[25] so in order to study workers' resistance we must come into close contact with specific workers and investigate the specific power for resistance borne by them.

In today's China, the class formation and class action of construction workers is faced up with a series of unfavorable conditions. In terms of associational power, workers lack the institutionalized channels commonly used in Western capitalist societies, such as the strike, and they do not have the support of unions or other organizations that exist in modern society.[26] They even lack traditional organizations like trade associations, or secret organizations. Turning to structural power, this can be separated into two levels. First, the semi-proletarianization of construction workers means that they are unable to achieve a complete identity as workers, and instead their identity hovers back and forth between peasant and worker. This affects their class-consciousness and their ability to take action. Second, the subcontracting labor system dissects workers into individual teams of contracted workers, making it extremely tough for them to draw on large-scale collective action to influence the production project. The obscuring nature of the contracting system often succeeds in delaying resistance until after the completion of the labor, powerfully curtailing the bargaining power of the workers at their workplace.

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24 Wright, E. O., "Working-Class Power, Capitalist-Class Interests, and Class Compromise" in *American Journal of Sociology*, 2000, Vol. 105, No. 4.

25 Perry, E. J. *Shanghai on Strike: The Politics of Chinese Labor*, tr. Liu Ping 2001, Nanjing, Jiangsu People's Publishing House, 328 (Ch).

26 As early as 1992, the government had already adopted the Trade Union Law of the People's Republic of China (中华人民共和国工会法). This stipulated that any enterprise or public institution with over 25 people must, in accordance with the law, establish a union. However, migrant workers in the construction industry have never had any luck with unions. The All China Federation of Trade Unions' "Notice on Properly Protecting the Legal Rights and Interests of Persons Entering Urban Areas to Work" demands that trade union organizations at every level incorporate migrant workers into their unions, and taking into consideration the transient nature of migrant workers, it even conceives of the idea of establishing trade union organizations at the labor exporting area. However, in reality, the proportion of construction workers who become involved in a Labor Union is tiny; the vast majority of workers are left out in the cold by the unions. In the labor market left to its own devices, for lack of support from labor organizations, there is a serious imbalance between the power of the workers and that of capital.

However, none of these unfavorable conditions is able to put a stop to the resistance of the workers, because the capitalist relations of production on the construction site are constantly creating difficulties and antagonism between labor and capital. As the workers' bottom line is frequently crossed, they are forced into a position which is such that they reach the end of their tether.

In August 2008, on a construction site in Beichen (北辰) in the northwestern suburbs of Beijing, seven workers from Hebei and another eight from Henan were living together in the same dormitory, doing work for their boss, who was from Jiangsu. They were all engaged in carpentry on the project, and they began their work on the site following Chinese New Year. By August, they had been working together for over six months. Although they had different local accents and different living habits, in their interactions with one another day in day out, they established a relationship of trust. In their own words, "We've all come away from home to work, and we're all working for the same boss. We usually look out for each other, for we do not care who comes from where."

At the end of August, work finished up on the construction project, and the workers from Hebei decided against continuing to work there, so they approached the boss to settle their wages. In the same way as at countless other construction sites, the boss used every conceivable means to put them off, saying that he could only settle their wages at the end of the year. The workers decided to take action, but they were concerned that they didn't have enough members and had no chance against their boss. This led them to mobilize the workers from Henan to join them, and they went together to the complaints department of the Bureau of Labor to file a complaint.

After two days, personnel from the Labor Supervision Team (劳动监察大队) arrived at the Beichen construction site and tracked down the head contractor and the project managers of the labor agency and the construction company to demand that they solve this problem over the workers' wages as soon as possible. The bosses from the lower ranks up all carped on with their own grievances, evading the demands saying they had no money and needed the workers to wait a while. The workers were not willing to accept this, and one of them threatened that he would climb the tower crane, but was obstructed by the Labor Supervision Team. Both the workers and the bosses refused to budge. In the end, the people from the Labor Supervision Team acted as guarantor, suggesting that each of the workers first receive 1,000 *yuan*, the head contractor issue them with an IOU for the remainder of the money, and that the issue be settled on the spot on the last day of the month.

With the word of the Bureau of Labor, the workers agreed to the boss's conditions. In order to prevent against their power being dissipated, the workers from Hebei and Henan (河南) decided to continue to stick together until they

had actually received their wages. The workers from Henan found a new construction project, this time in the suburbs to the south of Beijing, and they asked the Hebei workers to come along and work with them.

On the morning of August 31st, fifteen of the workers from Hebei and Henan headed from the suburbs in the south, to the Beichen construction site. To bolster their strength, the workers from Hebei got another five workers to come over from Dingxing (定兴), back home in Hebei, to join them. The five workers had previously worked for the same boss, and yet left without having received their wages before the end of the project. This way, their members were increased to twenty, and everyone was of the same mind, giving off the message that they would not rest until they got their hands on their wages.

Just as they were about to arrive at the construction site, they received a text message from the head contractor, saying that he didn't have enough money just then and would have to give them it the next day. The workers were infuriated.

> We just have to have it out with them, and we can't be too soft with them. We're going to have to go and get some answers from the Bureau of Labor. If they really aren't going to do anything about it, then we'll get them to write a note, saying they're not going to deal with it.
> We're going there to get our money, we're not breaking the law for that, and it's perfectly reasonable, so the government's not going to do anything to us. If the Bureau of Labor doesn't help us sort it out, then we should just go and do a sit-in.

In their anger at the boss, the workers became even more united. At 2 o'clock that afternoon, the people from the Bureau of Labor rushed over, but the company had no way of coming up with the money. In the midst of the workers' angry protestations, the company had completely lost the air of authority it usually had, and all the people from the Bureau of Labor could do was demand that the company make good on its word. The stalemate had been going on for a long time, and the company agreed to give each worker 150 *yuan* as money for transport and accommodation. The workers responded only to give them an extra day, but demanded that the company give their word in public that if the next day they were still unable to come up with the money, they would add an extra 1,000 *yuan* per worker. The next day, the workers successfully went away with their wages.

This constant accumulation of experience in struggle gradually changed the workers themselves. They were learning and growing: learning how to survive

in the crevices and how to deal with and resist against capital and power. The most basic experience drawn by the workers was as follows: "Just as long as there're a lot of people, anything's possible. If there're a lot of people, the minute you make a noise, the boss will just give you the money. What you don't want is too few people. If there aren't enough of you, then the boss just won't take you seriously, just find any old reason to put you off, and even if he's got the money, he won't give you it."

The contracting system is built on the basis of place-of-origin ties. In the daily life and labor of the workers, to a certain extent, native-place consciousness holds together the unity within the team of contracted workers. Their native-place bonds with the head contractor are an even more important condition that leads to the possibility of wages in the construction industry going unpaid. Native-place consciousness also creates dislocation between the workers of different teams on site. Even in the process of their day-to-day lives and work, disputes will often occur between workers from different areas. However, once things get to the point when the workers want their unpaid wages, it is difficult for the head contractor to satisfy their demands, capital steps out from behind the scenes, and the real boss appears. Now when capital and labor come face to face, the feelings and mentality that accompany native-place ties can no longer be used by capital in the contracting system as fetters to constrain working class consciousness. Instead, this native place consciousness becomes the social basis upon which workers rapidly unite. As Perry has pointed out, native-place, skill, gender and so on can be factors that create divisions between workers, but in the same way, can also prompt the formation of working class power.[27] Our own investigation found that during resistance to get back unpaid wages, workers often called on workmates from the same bit of the countryside as they themselves, getting them to come from construction sites nearby or even from back home to strengthen their voice. In a situation wherein they were lacking the support of organizations like unions, native-place ties became the most important organizational support for the workers' collective action. In this case, workers from Hebei and Henan, who faced the same problem of wages being unpaid, united on the basis of their respective place-of-origin ties. But they also went on to surpass this place-of-origin consciousness to achieve an even greater alliance. Capital's cruel exploitation and common interests, combined with the dissatisfaction and resentment that was built up during their daily lives and work, made this alliance become possible.

27 Perry, E. J. *Shanghai on Strike: The Politics of Chinese Labor*, tr. Liu Ping 2001, Nanjing, Jiangsu People's Publishing House, (Ch).

Due to the spatial separation between the migrant workers' production and family life, there is no way for a workers' community to be formed in order to sustain and accumulate power for the struggle. Then, the workers lack an institutionalized organizational basis. So, during the current phase, it is difficult for construction workers to carry out large-scale, organized resistance over a long period of time with the city as their base. Their collective action reveals certain characteristics: it is a spontaneous, scattered, and wildcat style. When the direct objective has been achieved, the action is immediately called to an end. A typical instance of resistance by workers trying to get their unpaid wages often goes on for no longer than a few days, and the number of workers who participate often does not exceed one hundred. As efforts to obtain unpaid wages usually occur when the construction project is about to end or has already drawn to an end, the workers have either already left the field of production, or they find it very hard to have a strong impact on the production process. It is due to this that the workers usually do not adopt striking as a method of collective action, but instead they choose a variety of ways to make a noise. Although the scale of these instances of collective action is small, often things are taken to extremes, and even methods riddled with violence are adopted. The project department might be charged on, and specific members of the management staff might be besieged inside. The workers may move on to besiege the sales department. They may climb a tower crane or block up the streets. All these reveal characteristics very different to those of collective action by workers in the manufacturing industry.

10 Construction Workers' Class Formation

When they first left their homes in the countryside to step onto the building sites of the city, Old Zhang, Little Bo, Shi Dongdong, and Liu Xiaobing—these ordinary people from rural Hebei, Henan, and Jiangsu (江苏)—were simply trying to change their way of life and make a living away from the land. They were already prepared for hardships and even unjust treatments. However, what remained unforeseen to them was that the political economy of China in the current era was destined to drive them into the midst of the process of forging a class subject.

Before construction workers arrive in the city, the historical legacy of the separation between urban and rural China, combined with the developmental strategy of the state, has already shaped them into a disfigured labor subject. This severely weakens their awareness of rights, their life expectations, and the resources at their disposal. On the other hand, it also provides favorable

conditions for capital in real estate and construction to control and exploit them. Encountering powerful and rapacious capital, even place-of-origin ties—the only thing that construction workers can rely on—is reduced to be a sharp tool, manipulated by capital to chase profit in the subcontracting labor system. When all of these factors combine, they create the serious and yet common phenomena of wages going unpaid, and that of cruel exploitation, which was most rare even during the initial stage of capitalism in the West.

On the construction sites, in the dormitories, in the tiny details of life and work, workers are constantly, deeply experiencing exploitation and oppression. They are also experiencing repression, helplessness, feelings of dejection, and hatred. In reality, these first-hand experiences and emotions of construction workers are determined by the relations of production within which they find themselves and are caused by their class status. The very nature of their emotions is one of class. However, in today's China, the language of class has, for some time now, been labeled as something belonging to the extreme left and it has become a taboo in the whole society. Thus the class subject itself has also been afflicted with a case of discursive dyslexia. The voice of the people on the bottom rung has been submerged in the clamor of modern discourse, and construction workers have no way of finding legitimate language or concepts in the mainstream discourse to understand and explain the plight. Nor do they have any way to express their demands related to interests or emotional experiences. Thus, these things more commonly emerge in the form of dissatisfaction with and resentment at their head contractors and the management staff. At most, these are the initial hints of a budding class-consciousness, but they are blurred and fragmentary. Often, due to the dilemmas of place-of-origin consciousness, they become more complex and changeable. The journey from class in-itself to class for-itself remains one paved with difficulty.

"Working for a boss, we can take sweltering heat and bitter cold, but we can't take no wages." Just as the lyric that appears at the beginning of this article reveals, endless oppression by capital has bit by bit drawn close to the workers' bottom line. As capital maximizes its exaction of the value of labor, the workers are forced to suffer terrible working and living conditions day in day out, which constantly destroys their notion of equality and morality, as well as sparks their dissatisfaction and resentment. Ordinarily, this feeling of dissatisfaction and resentment is suppressed, but it does not just disappear. Instead, it builds up gradually in the deep hearts of the workers. In the end, it comes to a head and explodes when the workers follow up on getting back their unpaid wages. It forms a potent force. When workers have been working long and hard but cannot get their hands on their wages, and when they have been injured at

work but no one wants to do anything about it, the veil of tenderness between the head contractor and the workers, who come from the same place, slips away in a moment. When this happens, capital, which has hidden behind the scenes, is forced into the foreground, and then it becomes no longer possible for place-of-origin ties to obscure the antagonism between capital and labor. It is during this kind of resistance—especially collective resistance—that the blurred, fragmented dissatisfaction and resentment gradually finds clear direction and is focused into antagonism between labor and capitalism. This then shakes free from the entanglement with place-of-origin consciousness and grows into relatively clear class consciousness.

Construction workers tend to have a lower level of education than other groups of migrant workers in China. Many have never even set foot in a middle-school classroom, let alone read the magna opera of Marx or Lenin. Nor do they have a proletarian vanguard to come along and inculcate in them a kind of advanced class-consciousness. Yet day in day out, year after year, the hardship of life as a migrant worker and particularly the continuous resistance against capital, which serve as a smelting furnace, shape their blurred, loosely scattered dissatisfaction and resentment into an awareness of the class antagonisms. It is the conflicts of interest, which are inherent in the capitalist relations of production, and capital's cruel exploitation, that makes construction workers without any outside help break through the multitude of structural barriers and oppression. They come to shake off the unfavorable influences of the socio-economic organization (the subcontracting labor system), the mainstream discourse, and their identity as *nongmingong*. Through entirely spontaneous resistance (mainly in the form of collective action to demand their unpaid wages), they forge a clear class-consciousness. Here, we see no trace of the question over which Marxists are racking their brains: "why not". The logic of the relationship between the relations of production, class structure, and class-consciousness could not be clearer.

The formation of class is a dynamic historical process, and it is difficult to determine a rigid set of criteria by which to judge it. Compared with the course of the formation of the English working class described by Thompson, the collective action we have seen from China's construction workers has mostly been fragmented and wildcat in style. Although it occurs frequently, the instances of action have not echoed one another or formed a wider alliance, and even less so formed a solid organizational basis. There remain many limits to the unity of workers. In this respect, it could be argued that the collective resistance of China's construction workers is stuck at a relatively low level of development, and the formation of class remains in its nascent stage.

Each spring, as the lunar year begins, signaled by the rumble of heavy machinery, work starts at construction sites across China. A surge of dust fills the air, and the earth is torn open, creating gaping wounds in its surface. By the time the end of the year comes around, the same construction sites all become a lonely stretch as the work draws to an end. The wounds in the earth have been closed in, and left behind is building after building, vast and imposing, or elegant and majestic. The construction sites become still and then vanish without a trace.

These vast construction sites are the product of both reform in the relations of production and systemic reform in Chinese society. They are also a microcosm, revealing all of the social conflicts and contradictions that have been created in 30 years of reform. On these vast construction sites, we have witnessed the arrival and rapid expansion of a bourgeoisie, represented by real estate and construction capital. The moment they appeared, they instantly became the centre and main guiding force in the social relations of a new era. We have also seen the hardships of the construction workers, in their struggles on these great construction sites just to find their footing and eke out an existence. We have seen the tough process of a newly emerging working class in its nascent stage. Before this working class has even emerged from the womb, it had been forced into a tiny crevice jointly created by the state and capital. Today, though the discourse of class has disappeared, there is still no way to obscure them to the extent that they are completely invisible. And so, as we speak, the spectre of class lingers hesitantly around the construction sites of China. Again and again, it drifts away. Then time and again, it returns, tenaciously resisting a fate suppressed and abandoned by society and calling for an opportunity for the rebirth of its class subject.

CHAPTER 6

Internet Mobilizing and Workers' Collective Resistance at OEM Factories*

*Wang Jianhua***

1 Introduction

The Nanhai Honda (南海本田) strikes in May 2010 launched a prolonged wave of strikes by new workers at OEM factories all over China. A report from the Hong Kong Liaison Office of the International Labor Organization (IHLO) revealed that following this, in Guangdong Province (广东省) alone, strikes for higher wages broke out at over a hundred other enterprises.[1] The momentum of the resistance by the new workers in northern OEM factories did not show any signs of abating. In Dalian (大连) alone, within only three months, a wave of strikes had spread through seventy-three enterprises, during which 70,000 workers participated. They all had the same main demand—a rise in pay.[2]

It was far from simply the scale of this wave of strikes, its scope or the initiative taken by the workers that was surprising. Some of the striking workers, faced with repression from the government and intimidation and sly maneuvers from the owners to break them up, expressed a strong fighting

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1 IHLO 2010.

2 "*Dalian tinggong chao 7 wan ren canyu boji 73 jia qiye, yi gongzi zhang 34.5% gaozhong*", ("Dalian's wave of strikes spreads to 73 enterprises with 70,000 people participating, culminating in 34.5% pay increases"), Fenghuang wang, (ifeng.com), http://finance.ifeng.com/news/special/cxcmzk/20100919/2636845.shtml.

spirit and sense of unity. They were unwilling to draw the strikes to an end before they had achieved their objective. Strikes at some factories went on for upwards of a week, even during the brutal summer heat. Many of the strikes were also extremely orderly and rational, with the workers often agreeing right at the beginning that they would strike in a civilized manner: they would not damage any of the factory equipment; they would not touch even the tiniest blade of grass belonging to the company; during clashes with the owners or the government's Labor Union (工会), they would maintain restraint.

The opportune timing and choice of tactics for the workers' strikes were also a breath of fresh air. A significant number of the workers were clearly aware of their own market and workplace bargaining power, so they chose to launch the strikes at just the moment there was the most serious shortage of workers. Also, the strikes were often begun by the factory's key departments or by workers who were not easily replaceable. After the strikes began, usually at the first opportunity, the workers alerted media groups to the news through different channels and also did their best to maintain effective interaction with them at all times, seeking outside attention and support. What deserves a special mentioning is the emergence of this wholly new consciousness of the workers and their demands. These workers were not only demanding significant increases to their wages, they were also making strong demands for the establishment of normalized channels for them to voice their interests. Two of the most typical suggestions were the reformation of the Labor Union and the establishment of a system for wage negotiations. These characteristics also meant that for some of the strikes, it was possible to arrive at a solution that was to the advantage of both sides. The workers nominated their own representatives and entered into talks on an equal footing with the owners.[3] For some of the factories, these talks continued throughout the whole process of the strikes. Through these negotiations, the workers achieved substantial wage increases;[4] the owners gave their word not to follow up on the strikes and investigate those workers;[5]

3 Of course, there were instances where the management of the company would concede to the demands of the workers without entering into talks. There were even some factories that did not wait for the workers to strike, but instead they took the initiative to increase wages.

4 The highest wages were increased by 800 *yuan*; a great many enterprises made wage increases between 400–600 *yuan*, see Luo Wensheng "*Xunzhao pinghengdian, weiquan yu weiwen bingzhong*", ("Searching for a Balance: Placing Equal Importance upon Protecting Rights and Maintaining Stability") in *21 shiji jingji baodao* (*21st Century Business Herald*), 28/7/2010; IHLO, 2010.

5 Of course this kind of promise was not at all reliable. During the process of and following the strikes, some factories, used all kinds of excuses to cause problems for or dismiss the strikes' activists.

at a small number of enterprises, democratic elections were held for the Labor Union, and a system was established for annual wage discussions.[6]

The wave of strikes that began at Nanhai Honda has presented those scholars who research China's labor issues and social movements with an enormous challenge. Although some scholars have come to realize that there were entirely different characteristics of this wave of strikes from those of the past (Cai He 2010; Chen 2011), research that could provide satisfactory analysis of the mechanisms behind this change is still yet to materialize. How can collective action, which is lacking in systematic organization and the strength of leadership, be carried out with such orderliness and such great attention to strategy? Why is it that even with the risk of being suppressed and the intimidation tactics of the owners was it so difficult to crush the fighting spirit of the workers? How can strike action transcend the single enterprise to form momentum over a whole area or even a whole nation? How do workers come to be conscious of their own strength and begin to take the initiative to put forward their own economic demands? How do they then come to conceive of seeking methods at a systemic level to solve their issues? From where does this entirely new consciousness arise?

2 Workers' Resistance at OEM Factories

Beverly Silver argued that "where capital goes, conflict goes" (Silver, 2003, 41). The resistance action of workers within the factory of the world has naturally attracted the widespread attention of scholars both within and outside China. They have each adopted their own perspectives to explain the resistance of workers at OEM factories.

The first type of perspective adopted by scholars focuses on the structural reasons behind the resistance of the workers at OEM factories. Silver believes that the global flow of capital will cause an increase in the power of the workers at the destination receiving an inflow of capital, and this will bring about a corresponding rise in resistance action (Silver, 2003). This perspective is also sometimes referred to as "economic determinism." On the other hand, Pun Ngai and others have concentrated on the conflict between the traditional system of production by migrant workers and the substitution of one generation of workers for the next: on the one hand workers have been semi-proletarianized,

6 This year through wage negotiations the workers at Nanhai Honda received a pay-rise of 611 *yuan*. Huang Yinglai "*Nanhai bentian gongren jiaxin 611 yuan*", ("Nanhai Honda Workers get a 611 *yuan* Pay-rise") in *Nanfang Ribao* (*Southern Daily*) 13/3/2011.

experiencing industrialization but not urbanization, whilst on the other hand the new generation of migrant workers have an entirely different sense of self, set of values and life expectations compared with those of the previous generation. These differences cause a complete change in their relationship to the village, the city, the country and to capital. The emergence of this large number of instances of migrant workers' direct resistance, originates in the fundamental misalignment of the system with generational change (Pun Ngai et al., 2009; Guo et al., 2011).

Gallagher's analysis is more overarching. She argues that behind the recent resistance of migrant workers, are shifts in the demographic, social and political context. China's one-child policy, the broken-up labor market, and the constant expansion of industrialization have brought with them a shortage in the supply of labor and an increase in the strength of labor. The difference in characteristics and lived experience between new workers and the older generation has caused the former to develop a new sense of self, new life expectations and a potentially stronger capacity for collective action. When it comes to the political environment, state legislation, and the establishment of both labor arbitration and a collective wage negotiation system, would work to reduce the possibility of spontaneous labor action (Gallagher, 2011).

The second type of perspective directs its attention upwards, towards how, on a macro-level, the state system shapes the behavior we see in the resistance. Through a comparative study of veteran workers in state-owned enterprises and these new workers, Ching Kwan Lee (李静君) finds that the state's "Decentralized Legal Authoritarianism" leads to the cellular resistance of the two types of workers. Their resistance is limited to single factories, the local government is their target, and they use the law as their weapon; the legislative intervention by the state on OEM factories and the use of rural land to supplement the reproduction of labor have led to the mild, law-abiding resistance of the new workers (Lee, 2007). This model of resistance by the new workers is also inexplicably linked to the tactics of the state in constructing labor rights. At the same time as actively legislating on labor rights, the state, through the limitations it places upon the civil rights and liberties of workers and their political rights, as well as the infiltration and control of the official Labor Union, obstructs the emergence of collective action by workers and the construction of collective interests (Chen, 2011).

Developing an understanding of the macro-level structural factors and the state system is indeed an important prerequisite to explaining the resistance action of OEM factory workers. However, there are several important questions to which these perspectives are unable to provide answers. The first important question is how we explain the concurrent existence of different types of

direct action at OEM factories. The state system perspective can only explain the frequency of workers' individual actions to protect their legal rights. It cannot explain the type of collective action which mainly draws on the strike and which has been going on for many years. It is even less able to help us understand the appearance of this particular wave of strikes. Guo (郭于华) et al. have attempted to adopt a perspective that falls between the micro and the macro, looking at the factory regime in order to explain the division of labor resistance into different types of action. Taking Foxconn (富士康) as representative of the "military despotic regime" and Nanhai Honda as representative of the "conventional despotic regime", Guo argues that the former led to the appearance of individual worker action, whilst the latter led to collective action (Guo et al., 2011). However, in the same way as the perspectives above, this is still unable to answer the second important question. This question pertains to how, within the type of labor resistance represented by Nanhai Honda, the following new characteristics were formed: worker demands that exceeded their legal rights and interests, the level to which the action was organized yet without an organization, the tactics, unity and militancy of the workers, and the fact that the action spread beyond single industrial zones and even city boundaries. The process of forming this new style of collective resistance remains a mystery. We must look to the micro-level in order to unearth its mechanisms for organizing and mobilizing.

For a long time now, the resistance of China's new workers at OEM factories has been faced with a shortage of organizational and discursive resources (Pun, Chen, 2008; Pun, Lu, and Zhang, 2010; Huang, 2010). In South Korea, where an authoritarian system also prevails, mass-movements, the Church and students have provided rich organizational resources in cultivating working class consciousness and mobilizing labor resistance (Koo Hagen, 2004). During the Republican Period (民国时期, 1912–1949) in China, time and time again, the mobilization of labor participation was organized into waves of large-scale strikes by the governing party and secret societies (Pei, 2001). Even when we look at the workers of contemporary China, if they are the old workers from state-owned enterprises, they have still at least retained the discourse of socialist cultural tradition, their memories of collective life, and the discourse of class, which can all be drawn upon as organizational resources (Chen, 2004; 2006; Lee, 2007; Tong, 2006). When it comes to new workers, even if their action constitutes fierce resistance in response to threats to their very survival, in the end they would often be split up and silenced owing to the dissention sown by the owner and the local government. This is due to the lack of unified cultural tradition, available organizational resources and the support of outside forces. The collective action of laborers at OEM factories often demonstrates

itself to be spontaneous, diffuse and wildcat-style (Pun, Lu and Zhang, 2010; Huang, 2010).

The dormitory regime and networks created by place-of-origin ties may be precious resources for the mobilization of labor resistance. The loyalty and trust that accompanies connection by place-of-origin means that workers are more likely to share the risk of collective action (Chan, 2009; Cai He et al., 2009). The dormitory regime can also strengthen and expand the workers' original networks formed on the basis of gender, kinship and shared place-of-origin. It can build a common understanding amongst the workers, providing the conditions for developing strategies and adopting collective action, and thus become both the social and spatial basis for mobilizing labor resistance (Ren and Pun, 2006b; Chan and Pun, 2009; Cai et al., 2009). However, the limitations of both the dormitory regime and place-of-origin networks are very clear. It is also easy for the dormitory regime and place-of-origin networks to become forces used by the owner to divide, control and tame the strength of the workers (Lee, 1995; Ren and Pun, 2006a; 2006b). The scope for organizing, mobilizing and disseminating information are also extremely limited. It is difficult to imagine that these workers might be able to form new interests and demands purely within their dormitories and their relationships with people from the same place, that they would develop ordered and tactical resistance, and that they would form a model of resistance that spread over a broader area and through which there was interaction with others involved in instances of resistance.

However, for the new workers at OEM factories, the networks formed by their dormitory experience, relatives, friends, classmates and hometown fellows are not central to their lives any more. Increasingly, their work, lives, and even their consciousness are being permeated by information and communication technologies (ICTs) and in particular by the Internet. Along with the increasing popularization of the Internet,[7] these new workers commonly encounter and are familiar with the world of the Internet (Qiu, 2008; Zheng, 2010). In particular, using mobile phones to surf the Internet has become the best option for new workers, for this is cheap and convenient. They will use their phones to surf the Internet for leisure in their spare time, as a way to obtain information, a way to chat and communicate with people, and even

7 By December 2012, China's Internet users had already numbered 457 million, of whom those who would use their mobile phones to surf the Internet had reached 303 million. See *Zhongguo hulianwang xinxi zhongxin* (China Internet Network Information Center) "*Zhongguo hulianwang fazhan zhuangkuang tongji baogao*" ("Statistical Report on Internet Development in China") http://www.cnnic.net.cn/dtygg/dtgg/201101/P020110119328960192287.pdf.

as a way of simply passing the time (Cheng, 2008; Qiu, 2008). A phenomenon that some Chinese and international media and scholars have begun to pay attention to is that during this wave of strikes, workers had started using the Internet and text messaging to organize and coordinate the strike action, and even to interact with the outside world (Guo, 2011; Barboza and Bradsher, 2010; Qiu, 2010). The purpose of this article is to explore how this entirely new way of life for the workers at OEM factories, with mobile phone Internet-surfing at its centre, is linked to their collective resistance, and whether the Internet can become a useful tool for future organizing and mobilizing, to be used by the new workers in their collective action.

3 The Case Studies

For the most part, the material analyzed in this article comes from my interviews on the strikes at three factories in two cities within the Pearl River Delta (珠三角). These interviews were carried out between January and February 2011. During this period, altogether twenty interviews were carried out with over thirty workers. The interviewees were mostly activists in the strikes, ordinary participants in the strikes, workers who were following along with the trend, and even those who had a kind of wait-and-see attitude. In addition to this, I obtained permission to enter the QQ Groups (QQ 群) and QQ Spaces (QQ 空间) of some of the workers, which could be accessed to find the workers' information from the time of the strikes and details of their everyday interactions. News reports from both inside and outside of China are also drawn upon as supplementary material for analysis within this study. Due to the lapse of time, it may be difficult to avoid the recollections of the workers in some places becoming hazy or contradictory. The immediate reporting of news agencies can be employed to compare with the material gleaned from interviews and correct errors within this material.

During the interviewing and Internet data collecting process, I realized that in the course of the strikes the use of the Internet and different types of ICTs by workers was extremely diverse. Whilst there were many similarities between the three striking factories, there were also differences in Internet use, with different emphases at the respective factories. This means that to draw upon just one of these factories as a case study would make it difficult to demonstrate the potential strength of the Internet as a way to mobilize collective labor resistance. Through comprehensive analysis of data from strikes at the three factories, this study aims to fully demonstrate the different possibilities for ICTs and in particular the Internet to function as mechanisms to mobilize the

collective action of new workers. This article will also analyze the responses of government and capital to this kind of resistance, and the interaction via the Internet between workers and these two parties. So, this article attempts to locate the significance of the Internet for the mobilization of new workers' resistance within the specific contexts of the Chinese system and the creative usage of ICTs.

Factories A, B and C are the China-based affiliated enterprises of the Japanese Honda car company.[8] Factory A is a China-based Honda parts company, responsible for the production of the transmission, gear boxes, drive shafts and component engine parts for Honda. The factory is situated in S Township in F City, and it employs in excess of 2,000 workers. The factory's ordinary workers are almost entirely young people with a vocational secondary school education. Factory B is a joint-venture between Honda and an enterprise belonging to X Township in Z City. It mainly produces accessories such as the parts for the ignition, the lock for the car boot, and the locks for car doors for Honda. This factory has over 1,500 employees. A significant number of these workers have a middle school education, and their average age is thirty. Factory C is also a supplier of parts for Honda. It is situated in the same industrial park as Factory A. It is not a large-scale factory, and it has only 200 or so employees, all of whom are young graduates with a vocational secondary school education. In the same way as other subcontracted factories in the Pearl River Delta, these three enterprises had, for a long time, been facing a shortage of workers due to the low wages it pays its staff. The strikes began at Factory A, then Factories B and C one by one responded with their own action. However, the strikes did not coincide with one another. The strikes at each of the three factories lasted for at least 6 days.

3.1 *Factory A: Strikes Woven through the Internet*

The workers at Factory A had already been dissatisfied with their low wages for quite some time,[9] and there had already been rumors of strike at the factory. Prior to this round of strikes, there had been several instances of small-scale

8 In line with academic standards, this article uses pseudonyms to replace the names of towns, cities, enterprises and people.

9 Before the strikes, level one general workers/rank-and-file workers received over a basic wage of 700 *yuan* per month. If we account for additional wages for their specific role within the factory, wages for overtime and then deductions made for various types of insurance, what they would actually receive was still only around 1,200 *yuan*. In three years, the company had made only minor adjustments to workers' wages, adding around 10 *yuan* or so. Many of the workers even had to borrow money just to scrape by.

strikes aimed at the low and mid-level management. However, the previous strikes had not attracted the attention of high-level management. When the lowest wage rate in F City was adjusted to 920 *yuan*, the company simply began to calculate wages received by workers for their specific roles in the factory as part of their basic wage. This undoubtedly intensified the dissatisfaction of the workers and for a small number of them, strengthened their resolve to strike.

At the very beginning, the strikes started with Xiao Lü and Xiao Xiao, who had already handed in their notices. They used the drone of the safety alarm to make the call on the shop floor, appealing to fellow workers from their respective production lines to strike. In some of the other departments there were also workers who were persuaded to join in the strike, but a significant number of workers were being blocked in the recreational room by management and were not allowed to join in. In the end, only around a hundred or so workers collected together at the basketball court, where they began a quiet sit-in. However, this very quickly caused the whole factory to stop production. The news of the strike also fed through to the interns and those workers on the middle and late shift who were resting. This was achieved via text, phone and QQ Groups. On hearing the news of the strike, many of the employees immediately started making calls to local television stations to make them aware of the news, and made posts about it on various forums. All that the company's management could do was agree to hold talks with the employees, and promise to give them a response in one week's time.[10] Before the strikes, the workers had already set up internal QQ Groups, respectively based on work groups and the networks of the strike activists and those with whom they were close. To keep in touch with the outside world, they used a local web forum called TTX (*Tian Tian Xin Wangzhan* 天天新网站) to disseminate photos, filmed footage and written information on the strike. Through this forum, the workers also gleaned information and received announcements to coordinate their action in the strikes.

On the third day, the workers went back to production, but the slump in their enthusiasm was obvious. It was also after three days that the company began to undertake talks with the representatives elected by the workers, but the workers clearly felt that the owners lacked sincerity. Out of a list of over a hundred suggestions put forward by the workers, the owners had conceded to only a few and had agreed to increase wages by only 55 *yuan*, which, as far as the workers were concerned, was just insulting. The workers immediately turned to the Internet to start another round of strikes that Friday evening.

10 When the management first received news of the workers' strike, their reaction was to express their contempt for the action. This only served to further infuriate the striking workers.

This time, the number of striking workers quickly reached three hundred. The company responded by firing two of the workers who were leading the strikes. However, this move only prompted more workers who had, up until that point, not left the production line, to join the ranks of striking workers. As they marched, the workers were shouting demands for a pay rise at the top of their voices and singing patriotic songs, whilst from time to time this would be followed by banter about the company's management. To prevent the owners from taking photographs in order to act in retaliation against the strikers, the workers all wore facemasks.

The ranks of striking workers were constantly expanding, and there were more and more news reports on the strike. The workers enthusiastically accepted interviews by the reporters outside the factory gates, and they actively communicated with the outside world using the Internet. This strike caused a halt to production at Company H's four China-based assembly plants as well as at the company's other parts factories. However, the owners subsequently began to split up their interns, and some, under pressure from their school and under coercion and concessions to pay-raises from the company, signed a document pledging not to strike. At the same time, the factory decided to raise the increase in workers' pay to one of 355 *yuan*. Meanwhile, the government began to ban reporting by Chinese media on the strike at Factory A and attempted to shut down the QQ Groups and the TTX forums being used by the workers.

Presented with a wage increase of 355 *yuan*, the workers still decided to hold firm and stand their ground, continuing the strike. By the third Monday of the strike, with the assistance of S Township's Labor Union and government employees, the factory managed to divide up the workers from different sections of production and begin separate communications. Following this, only the workers from the ZZ section who had been the first to strike in the beginning, pressed on and came into conflict with the S township Labor Union. Several workers were beaten, causing a further escalation of the situation. The next day, only through the mediation of a certain delegate to the National People's Congress (NPC, 全国人民代表大会) and with the promise of the company's manager not to sack the striking workers, the workers agreed to go back into talks and gradually resume work. Three days later, a seven-hour negotiation was held between the workers and the owners. At one point the talks reached an impasse, but the stepping in of an expert on labor-capital relations helped the workers to straighten out their demands and bring more clarity to their strategy. In the end, the company conceded to a pay-rise of 500 *yuan* and the establishment of a normalized mechanism for coordinating wage increases. Subsequently, the workers reformed the Labor Union, for which, aside from the chairman, they elect all of the leaders.

3.2 *Following Suit: Factory B and Factory C Begin Strikes of Their Own*

The news of the strikes at Factory A mainly spread to other enterprises through media channels such as the Internet. This incident triggered a reaction in the workers at other Japanese car parts factories, including Factories B and C, galvanizing them to action, so that the strikes at many other factories picked up speed. It is particularly worth noting that the workers at these factories began to copy the style of strike and negotiation tactics used at Factory A, as well as adopting the same standards when making their demands.

Overall, the wages of workers at Factory B were lower than those at factory A.[11] On previous occasions, the workers had instigated several small-scale strikes, but they had all ended in failure. This time, the news of the strikes at Factory A and wage increases at other companies in the surrounding area constantly gnawed at the nerves of the workers. Added to this was the complete indifference of the company to the workers' demands for a pay-raise,[12] so some of the workers began to plan to instigate a strike after they had collected their annual mid-year bonus. The strike activists set up a QQ Group for the strike, and these key workers used this Group to share information, discuss strategy and coordinate the action.

However, the sentiments amongst the workers were such that they were unable to wait it out until then. The evening before the strike was to formally begin, some of the workers from one of the production lines drew their work to a standstill, instigating a clash between the workers, the security guards and the management, in which some workers were beaten. The next morning, upon hearing the news, several of the strike activists, including a worker named Liu Kai, immediately led their production line workers to support the strike.[13] They swept through all of the production lines in the factory, mobilizing the workers, and the wave of the strike quickly engulfed the whole factory. At the same time as marching within and outside of the factory, the workers made great efforts to post information, pictures and even video footage of the

11 The wages of ordinary workers on the first rung are around 900 *yuan*. If we count their wages for overtime, subsidy for housing and then detract the various costs for insurance, the amount they actually get hold of is only 1,100 *yuan*.

12 Almost all of those workers who allowed us to interview them said that if the company had previously acted of its own accord to add 100–200 *yuan* to their wages, they would have given up striking. In the days leading up to the strike, several of the strike's activists actually went via the management to express the demand for a pay-rise to the company.

13 These shop-floor workers need to undergo a long period of training and are difficult to replace.

strike on various websites and forums, and they also made phone calls to television stations to report the news. However, the government and the company also responded rapidly. The surrounding roads were immediately blocked off by the police, and even the river in front of the factory was patrolled by police vessels, whilst the droves of reporters coming to interview the workers were turned away. In the days following, painstaking efforts were made to clamp down on reports of the strikes. With the support of the government, the company altered its previously moderate attitude,[14] instead strongly threatening and trying to split up the workers. On the day of the strike, the company shut all of the workers inside the factory, and the ranks of marching workers were permeated with plainclothes informants so that the moment the striking workers made any move, they could capture it on camera. Several of the strike activists were followed at their every turn, their phones were bugged and their QQ Groups were infiltrated by the management. Outwardly, the factory began negotiations with the strike activists, but behind closed doors they were using the same tactics as the township government, both luring Liu Kai and the others with the promise of gains and threatening them, to make them persuade the workers to go back to work.[15]

Early morning on the third day, the factory stuck up a notice announcing that they were willing to increase wages by 100 *yuan*. At the same time, they also promised additional incentives to those workers that would go back to work and prepared a document for them to sign. Aside for a small number of old employees, locals and management staff, the majority of the workers expressed anger at the company's way of handling things. Without those leading the strikes at the present, they still persevered with their strike, directly prompting a march outside the factory gates. When faced with warnings from the higher-level management, the workers responded by hissing and booing.

The strike continued for several days after this. Aside from continuing to divide and demoralize the striking workers, the company devised different channels to recruit new workers. At the same time, the company continued to hold talks with the representatives newly elected by the workers. Yet, those workers who were interviewed for this study maintained that a significant number of these representatives were appointed by the management. Since the subsequent plan to offer an increase of 200 *yuan* included the money for

14 To begin with, the company had decided to add 500 *yuan* to the workers' wages, but they were stopped by the local township government, which held 35% of the shares to the company.

15 Several of the strike's activists did not agree to the requests of the factory, but considering their families' safety they hid out, and later they were let go by the company.

meals and high temperature allowance and so on, it was viewed by many of the workers as hollow and without even a modicum of sincerity. The majority of the workers continued to press ahead with their resistance.

The stalemate between labor and capital was again broken by the same delegate to the NPC who had participated in the negotiations at Factory A. With the promise of a pay-raise of at least 200 *yuan*, at least two days of overtime per month, and that the striking workers would not be held accountable, many of the workers, fearing that they would be replaced by the company's new recruits, agreed to go back to work for three days and hold further talks three days later. At the final negotiations, the factory and the government took a tough stance, conceding only to giving the workers an additional 200 *yuan* on their basic rate and subsidies totaling 80 *yuan*. The Labor Union was also reorganized, but the workers argued that this was simply a formality. Following this, the company went on to cancel the contracts of some of the workers who had proven active during the strikes and also began to more heavily monitor and control the behavior of other workers. The company also increased the volume that its workers were required to produce.

In the same way as at the other factories, what prompted strikes at Factory C was the low wages that could not match the constantly increasing commodity prices. A good number of discrepancies had also been building up for a long time, between the workers and the factory, over the calculation of their overtime, the docking of wages, privacy on the production lines, agency fees, work uniforms and so on. The Japanese management, for its part, had never concerned itself with the requests of the workers. A whole series of recent strikes and wage increases elsewhere also undoubtedly intensified the mood amongst the workers. In the end, it was a disagreement between several workers and the management about the arrangement of shifts that gave rise to a strike throughout the whole factory of over a hundred ordinary workers. At the beginning, the company did not pay any attention to the action of the workers. Out in the scorching sun, not only did the workers fail to receive the reply they had been waiting for from the manager, but the company held them back when it was time for them to finish work, not allowing them to go home. The next day, the owners announced that they would increase wages by 200 *yuan*, but in reality, they had calculated the money for meals within this. This game with numbers that the owners were playing served only to further infuriate the workers.

On the third day, two moves by the factory would force the discrepancy between the two sides towards boiling point. The first was the refusal to provide the workers with food and water; the second was to stick up an announcement stating that all those workers who had been participating in

the strike would be dismissed. The Chinese management was then forced to enforce the company's decision. On the same day, police began to be deployed outside the company gates. As the mood of the group was aroused to indignation, almost all of the management staff, including two section leaders and the clerical staff, also joined the ranks of the strike. The managers' move to join in the strike not only caused the morale of the striking workers to skyrocket, but they also became a powerful leading force in the workers' action thereafter.

Faced with this momentum, the company had to make multiple moves of their own. The first was to urgently recruit new workers; the second was to split up the workers, particularly those who were locals; the third was to import finished products from overseas to guarantee that their supply line remained unbroken; the fourth was to continue talks with the worker representatives and keep going with their games with numbers, and finally, they asked the government Labor Union to come and mediate. Meanwhile, the workers were discussing tactics everyday with their superiors and exerting systematic pressure on those workers who were not participating in the strike.[16] In the same way as at the first two factories, the workers discussed matters pertaining to the strike with the help of a QQ Group; they posted on various forums and on their own spaces, uploaded photos and video footage; they maintained close communication with different media groups.

By the final stages, the workers virtually held no hope of success in the strike, and yet almost all of them kept battling on for the sake of dignity. The owners were also racking their brains each day to come up with countermoves. The Japanese director and the NPC delegate mentioned above stepped in and broke the impasse, and in the end the two sides reached a consensus. The company conceded to adding 250 *yuan* to both the basic wage and subsidies for the workers. However, the employees reported that in reality, the increase to their wages was far lower than 500 *yuan*, because they began to receive less overtime, the volume they were required to produce in a given time was increased, and even the water and electricity costs increased significantly. For reasons unknown to the workers, some of the activists from the strikes left their positions at the factory, and the two section managers were demoted. The newly organized Labor Union basically existed in name only.

16 Much of this was lambasting them for going against national interests. To differing degrees, the workers at all three factories used anti-Japanese sentiments and discourse to mobilize people to strike.

4 Breaking through Adversity: Four Types of Mechanism for Mobilization

The Internet has drawn the attention of many scholars of social movements due to its inherent qualities, typically its ability to go beyond spatial limits and make interaction and communication fast and convenient, the diversity of the sources of information, and its relative comprehensiveness in comparison with traditional media (Castells, 2003; Zhao, 2006). Between the 1990s and the present, a substantial amount of literature has already appeared, exploring the connection between the Internet and social movements. In terms of the content, the study on the Western countries has mostly focused on the use of the Internet in environmental protection, feminism, anti-globalization, transnational movements and other new social movements (Van De Donk et al., 2004; Garrett, 2006). Meanwhile, the study on China has cast its sights across Internet dissent, Internet nationalism, Internet incidents, Internet appeals for help (Yang, 2009), and online resistance by homeowners (Huang and Gui, 2009). In terms of the Internet's functions and mechanisms, the study has mainly explored the role of the Internet in organizing and mobilizing, in changing opportunity structures and in cognitive framing processes. In terms of methodology, these studies have mostly drawn upon case studies, questionnaire surveys, content analysis, network analysis and so on (Garret, 2006).

In Western societies, because traditional labor movements have their own central hierarchy of organizations, powerful organizational strength and close-knit networks of interpersonal relationships, they do not attract the attention of scholars who look at the Internet as a medium for collective action (Van De Donk et al., 2004). In China, workers at OEM factories, as the stratum of the "information have-less" (Qiu, 2008), are not paid a great deal of attention in terms of their potential to use information technologies in mobilizing social movements. Indeed, in terms of their sources of information, China's new workers lack the multifarious channels for information acquisition that come with the heterogeneous interpersonal networks and a relatively high level of education of middle-class business owners. In terms of organizational resources, they lack the mature organizations like those in foreign labor resistance, which could articulate striking workers' interests and demands, and lead and mobilize collective action. This is also in contrast to Chinese homeowners who are allowed to establish their own homeowner committees. In terms of political opportunity structures, the situation for China's new workers is unlike that of some other new social movements, like

the environmental protection movement, which receives the tacit acceptance of the government. Instead, because the issues of these workers are connected to maintaining stability in the bigger picture and also to the interests of capital and local government, they are faced with the risk of suppression. Finally, in terms of scale, often due to a lack of communication links to pass on information, it is difficult for the resistance to reach beyond the single enterprise to form a more powerful wave of resistance. Following the high connectivity of the "information have-less" stratum with low-end information technology services, particularly using a mobile phone to connect to the Internet (Qiu, 2008), there is now the possibility of fully making use of these new types of technology, whereas in the past, there was a scarcity of resources upon which China's new workers could depend for collective resistance. This article, by drawing on materials on the strikes at the three factories, will demonstrate the enormous potential for ICTs, particularly the Internet, to solve the dilemmas faced by new workers during their resistance, including channels for information acquisition, organizational resources, and communication with the outside world.

4.1 *Mobilizing Cognizance and Sentiments*

4.1.1 Mobilising Cognizance

When new workers lack organization and class discourse, the Internet offers potential resources, which are important for affecting the cognition and sentiments of workers. Many topics trending on the Internet were also often mentioned by the workers during our interviews, for example, the too rapid rise in commodity price and even housing price. The price increases naturally prompted the workers to make a connection between the steep price and the meager rate of increases in their low wages, leading them to question the mechanisms controlling wage increases. Another example is that reports on various instances of injustice, particularly those relating to corruption and the unscrupulous behavior of those belonging to a class of influential officials, intensified the anger of workers as members at the bottom of the heap. When this kind of incidents was closely related to their own fate, for instance the Foxconn incidents involving a spate of suicides as workers jumped from its buildings, it would inspire even more discussions and expressions of sympathy. The majority of the workers who used their mobile phones to access the Internet used QQ, and they would find out more about news reports via QQ's popup windows. Some of the workers also frequently logged onto forums such as Tianya (天涯论坛) and Tiexue (铁血论坛) to keep track of and get involved in discussions on various issues. Although for much of the time, workers will

be drawn to sports news, entertainments and gossips, military news and so on, the moment news appears on something that is closely related to their own lives, many workers will not only carefully read up on the news, but also immediately share it with their workmates.

As well as being able to strengthen workers' cognition of their own troubles, as a rich source of information, the Internet prompts them to reflect on the knowledge they have acquired from education and propaganda in the past. Not only is the legitimacy of the government's Labor Union being dispelled through different day-to-day reports of misconducts, but even more so it is completely losing the trust of ordinary employees as a result of its performance in certain major incidents.

> At the moment, elected Labor Unions are basically just working for the capitalists. The Labor Union at Factory A even cracked down on the strikes by the workers! Not speaking up for the workers, that's nothing, but it even cracked down on them striking! You saw the news about it too. They even beat up the employees, right? There were people in uniform from the S Township government, plainclothes people and people from the S Township Labor Union.
>
> FACTORY B, 21 JANUARY 2011

The strengthening of their perception of their own difficulties and their questioning of the role played by the Labor Union have prompted a significant number of workers to begin seeing the issue in structural terms. As such, it is not difficult to understand why, during this wave of strikes, the workers from many factories extended demands for the reconfiguration of the Labor Union and the establishment of a normalized system for wage negotiations.

> Of course the low-cost, easily accessed information from the Internet does not only change or strengthen people's identification in daily life, even more so, it can be deployed at key moments to supply movements with participants (Garrett, 2006). When workers are faced with sudden problems during the process of a strike, they will often search for corresponding information and look for support on the Internet. For example, when the workers at Factory A were accused by the owners' lawyer of illegally striking, they were able to quickly search on the Internet for information on the legally acceptable behavior of workers, which stabilized the fighting spirit of the troops and gave a great boost to morale.
>
> FACTORY A, 12 JANUARY 2011

In much the same way, in our interviews, the workers from factories B and C also frequently mentioned searching on the Internet for past instances of the law being in support of strikes. The contents of other searches included the business models of a company (from which the workers were able to come to understand their own strategic position within the production chain), the impacts of different strikes and so on. This is how one male worker from Factory C described what was going on at the time:

> Interviewer: "Were you specifically setting out to look up business models?"
> Interviewee: "Yes we were, as well as the Labor Law and that kind of thing, erm, it was really crazy at that time, right?"
> Interviewer: "How was it crazy?"
> Interviewee: "Well, basically, as long as it meant we'd be successful, we'd search anything, Labor Law and all that. We all surfed the Internet, and we could find anything we needed there. . . ."
>
> FACTORY C, 24 JANUARY 2011

4.1.2 Mobilizing Sentiments

The Internet provides a rich source of information for the participants of a movement, and what is equally important is that it is also a platform for interaction. The striking workers made full use of platforms like their QQ Groups and various forums. They shared their feelings with one another: they spoke out about the alienation of working on the production line, their inhuman lives and the unfair treatment they received. They spoke of the unsavory practices of their management, like their corruption, pushing around and bullying the people beneath them, and excluding outsiders. They also expressed their indignation at being fleeced and exploited. For example, a worker from Factory A posted his own "angry shout" on one of the widely spread posts on a TTX forum: the company is making a huge profit but it still squeezes the workers in every way possible; the Japanese top-level management is showing not even the slightest whiff of sincerity, not keeping their word on raising pay, conning everyone time after time, and using every conceivable threat to intimidate the workers. Finally, he expressed strong skepticism over the development model of the nation as a whole, which was based on low-cost human resources and the sacrifice of workers. Workers also used different ways to express their dissatisfaction with their current situations, such as exposing their pay-slips on the Internet and writing comic verses. In the atmosphere of mutual communication of opinions and feelings, some workers may have not been entirely truthful or may have gone to extremes in what they were writing, but overall the exchange online really

deepened workers' hostility to the owners, eliciting greater unity, boosting morale and heightening their desire to continue the resistance.

The deepening of the structural plight of these new workers is happening at precisely the time when the Internet is popularized as a kind of way of life, which implies that there is the possibility for workers to fully absorb and utilize this abundance of information. Just as we can see from the above, they have begun to reexamine their own difficulties and learned to think about the plight of the worker group from a structural perspective, in terms of national institutions, the model adopted for development and so on. They are skeptical about the current system of wages, the role of the Labor Union and even the model of economic growth, and they have become conscious of the necessity for and legitimacy of collective resistance. They are, on a conscious level, absorbing, contemplating and questioning, and at the same time, they are trying to draw on Internet platforms to express themselves and to communicate. Thus the significance of the Internet for workers is not merely that it will spark their desire for resistance in a specific collective action. A more likely impact is that a new set of subjects is being forged. They are learning to contemplate things on a structural level, attempting to articulate their demands at a systemic level, and they dare to undertake resistance on a collective level.

4.2 *Organization and Mobilization*

In Western social movements, the role of the Internet in organizing and mobilizing is for the most part manifested as a complement to formal organizations, making it convenient for internal communication and coordination when mobilizing a movement (Van De Donk et al., 2004). However, when there is a lack of formal organizations, the Internet is not simply a complementary or an additional tool. The Internet itself has to produce a kind of decentralized, non-hierarchical, make-do organization. This article attempts to summarize the organizing and mobilizing mechanisms of the Internet in labor collective resistance as establishing connections, discussing strategy, sharing experiences and quickly mobilizing. In the cases illustrated above, at all three factories, the strikes were organized mainly through QQ Groups, but QQ Groups were used most exhaustively and in the most sophisticated way at Factory A. As such, Factory A will be drawn upon as an example to show the potential role of the Internet in organizing and mobilizing.

4.2.1 Establishing Connections

As the living arrangements of the workers were quite spread-out, communication covering a greater scope was mainly achieved by using QQ Groups. Many of the different production teams created their own QQ Group. The workers

were not particularly familiar with one another, but during the duration of the strikes, workers living in different areas and working on different shifts communicated their feelings with one another, encouraged each other, and shared their experiences through these QQ Groups. In this way, the weak relationship that existed between the workers became strengthened.

One of the leaders of the strike from the ZZ production section got some of the people he was familiar with and activists from other sections to join the QQ Group. In this way, a network was built up between the different sections to coordinate things. Not everyone joined the QQ Group, nor everyone actively participated. After the strike activists from the different sections got word from the "headquarters," they then used the QQ Group of their own production team to spread the word, or did so by word of mouth. Through this network, it was possible for the latest news or decisions to be received and passed about at any time between the different production sections, between the strike activists and the followers, and between those workers who had and those who did not have QQ Groups. In this way, they were able to act in concert with each other in their actions.

4.2.2 Discussing Tactics

There was no clear leader of the workers' strike at Factory A. This was all the more the case following the dismissal of two of the people who had been leading the strike. Many employees would participate in democratic discussions, and those who were quite insightful and well reputed played a certain role in guiding things. Although there were differences in opinion and the discussions were quite chaotic, they were still able to reach a consensus in the end. The contents of the discussions were mostly related to each of the steps to be taken in the run-up to and during the strike, the plan for increasing wages and so on:

> There's a guy, that guy over there, he listed out all of the different steps, and he asked our team and those other teams to just follow his steps the next day. It was as if all we were doing was walking up to the national flag and singing the national anthem. . . . For instance we, erm, after we went there by bus in the morning, we'd go to wait to begin work. We would go there, and on the lawn of the company we would quietly, quietly sit, and wait for our own team to arrive. When our team arrived, we would then walk along the road used by company cars. We would walk along that road until we got to the national flag, and then we would sing the national anthem. After that, we would go to the basketball court, and there, there we'd sit. . . .
>
> FACTORY A, 12 JANUARY 2011

Of course, the face-to-face discussions between the strike activists and the representatives were also very important. However, not only did the discussions about strike tactics on the Internet benefit from the pooling of different opinions, but they also deepened the workers' sense of responsibility and desire to participate within this horizontal democratic network. It could be argued that they both surpassed and complemented the face-to-face discussions.

4.2.3 Sharing Experiences

Workers from different departments and different shifts would come across various issues in the different phases of the strikes. They may also have a positive experience and good strategies to deal with those issues. These workers would share all of them within the QQ Group.

> All of the people that participated in the strikes did, they all joined a QQ Group.[17] Then when something happened or whatever, we'd tell people about it in the QQ Group. Then, all the people that weren't working would be constantly checking what exactly was going on in that Group. Then, erm, sometimes it would be time for one Group to finish work, and they would come online too. Then the people from this Group would pass stuff on, telling them what they could do, and what they could do would work better. They'd sum up their experiences, that kind of thing.
>
> FACTORY A, 12 JANUARY 2011

4.2.4 Instant Mobilization

The situation at the scene of the action was constantly changing. The workers would use their mobile phones to report through a QQ Group about what was going on, including their own situation, what was going on with the factory, where support was needed, where there were reporters and so on. Also, the instant a decision was made, the QQ Groups would be used to draw together unified action. As mentioned above, the workers returned to work for some days, but later, when some workers heard that the company was not sincere about increasing wages, they immediately made a call on the Internet to all the workers:

> Originally we were meant to start work on Monday, but in the end we started striking on Thursday evening, because we were worried that if we waited until Monday, the company would have already come up with a

17 Not all of the workers had joined QQ Groups; at least some of those interviewed said that they had not joined the Groups.

> counterstrategy. Then, on the Internet—at that time we had a Group—we sent messages to say that we couldn't wait until then to strike, for if we waited until then it would be too late!
>
> FACTORY A, 16TH JANUARY 2011

The workers also gave each other encouragement in their QQ Groups, since it was unavoidable that the combination of striking over long periods and the oppressive heat of the weather at that time would cause a slump in their morale. This kind of mutual encouragement was also very useful when they faced sudden difficulties, for example, when a lawyer brought in by the company accused the workers who were gathered together in one of the rooms of unlawfully striking, the workers were faced with huge psychological pressure, but everyone encouraged each other to keep going and not to be tricked.

Thus, when organizational strength is lacking, the Internet has the potential to enable new workers to effectively organize, and to undertake efficient and effective resistance. When a network for disseminating information has been woven amongst the workers who are spread about, and they use this to discuss strategy and share their experiences, in the event that they are faced with sudden difficulties, they are able to immediately unify their actions to avoid chaos.

5 Mobilization of Social Forces

Social movements must also consider the political opportunity structures with which they are faced (Tarrow, 1996). The greatest fear of the workers at the subcontracted factory was that their collective strike would be silently suppressed. The Internet breaks through the government's regulation of information and reduces a state's capacity for repression (Scott and Street, 2000), because both the Internet's rapid, automated path for disseminating information and its high interconnection with multiple routes between nodes make it very difficult for the government to regulate (Garrett, 2006).

Deeply aware of the importance of communicating with the outside world, what workers did at every factory, as soon as they began to strike, was make contact with the media and surf the Internet to post the news. The high enthusiasm of the workers left the phone-lines of many media groups constantly engaged. Some of the workers tracked down and gathered together the contact details of all kinds of media houses, including online media and television channels, to seek the greatest possible coverage of the strikes. While some were

doing this, a greater proportion of the workers were spreading the latest news from the scene of the strikes via various forums, typically with written descriptions, and pictures and filmed footage they had taken themselves. The firsthand materials used in many journalists' reports were taken from amongst those materials. Many of the workers viewed the support and attention of the outside world as the most integral factor in the success of the strikes, because this would enable them to avoid being fated to succumb to suppression:

> If it was like that, we might have been quieter, and that way we might have been put under pressure. Maybe after two or three days, after a few days, we would have been, we would have been hushed up by the police, and no one would have known anything about it . . . If society wasn't paying any attention to us, without society's attention, no one would see what was going on, we. . . . No, there are strikes in lots of places but the news on them is banned, right? If that was the case, we could even be there with our heads smashed in and bloody but no one would see, and then we'd be even more terrified.
>
> FACTORY A, 12 JANUARY 2011

The workers also derived strength from this attention. During the strikes, many of the workers were constantly checking the media reports on their own strike, keeping an eye on the various comments and reactions from different quarters. Of course, there were some who were concerned with whether or not the reports coming out were true, because they were worried that the media would be bribed by the owners.

Another reason that the workers sought Internet support was that they felt that they already had nobody around them that they could rely on: the government and the Labor Union were standing on the opposite side to the workers. Under such circumstances, the Internet was representative of justice; it was the law; it could discern whether something was right or wrong. Thus, by attracting the attention of the world outside, this confrontation between the workers, capital, and the government was to be placed upon an open stage, to ensure that the confrontation avoided becoming seriously imbalanced. The political opportunity structure that had been in place previously was broken; the workers had found themselves a widespread alliance, and the greatest assistance this alliance could provide for the workers was attention. This attention forced the owners to respond to the reasonable demands of the workers, and even more so, it restricted the use of violence by the state.

6 Showing Them How It's Done

The reports on the strikes that appeared on the Internet and in other forms of media not only lent strength to the striking workers themselves, but also had a powerful galvanizing impact upon other workers. The pay-rise at Factory A achieved through the strikes not only amplified the dissatisfaction of the workers at enterprises that had not offered pay-raises, such as Factory B and C, but also made them see the possibility of fighting for their interests by way of collective resistance.

The most pressing problems faced by workers are that they have little experience of collective action and then lack institutionalized organizations and the help of outside forces. The cases of strikes that received widespread reporting on the Internet precisely provided workers a model to copy. Many of the lessons drawn from the strikes at Factory A were picked up on and used in the process of the strikes underway at Factories B and C, including the principles, forms and methods of civilized and rational striking:

> Actually, we weren't the first factory to strike, and we could already see how other people had been striking. So we knew what we were doing. We wouldn't use violence, including hitting people and whatever, and we wouldn't go damaging anything either. All we were going to do was sit quietly and negotiate, you know.
>
> FACTORY C, 24TH JANUARY 2011

The substance of what they were learning from and copying also included the methods for negotiating and for securing an increase in pay. One of the female workers from Factory B added herself to the QQ Group of Factory A and also contacted one of Factory A's strike activists, learning from this person about their successful experiences in striking and negotiating (Factory B, 20 January 2011). In addition, in the same way as at other factories, the representatives from Factory B looked to the precedent of Factory A in demanding the reformation of the Labor Union.

With the Internet as an intermediary medium, batch after batch of new worker subjects, sensitive to their own plight and to the structural roots behind it, with a strong sense of the need for resistance, are gradually being forged, which, without doubt, provides a solid basis for collective labor resistance. The mobilization and organization undertaken via the Internet can enable loosely scattered workers who are lacking organization to be organically linked up and can coordinate the unity of their action. The mobilization of external strength

boosted the morale of the workers and even more so, altered the original political opportunity structure, thus avoiding suppression by the state. Exemplary models of mobilization prompted collective labor resistance on a wider scale and provided it with a successful frame of reference.

7 Limitations of Using the Internet

As a tool for internal mobilization and external communication in workers' collective resistance, the Internet has the possibility of molding the cognition and feelings of new workers, but the significance of the Internet and the effect it may have on the social movements of new workers and other groups in the future remains difficult to accurately judge. The above analysis has merely pointed to the possible mobilization mechanisms for labor resistance, yet the form that these mechanisms will take in the future and the role they will play is still colored with huge uncertainty. Studies of the Internet must avoid simple predilection towards "political determinism" or "technological determinism" (Huang, 2010), but instead we should specifically examine the complicated relationship between the characteristics of the Internet as such, the reality of the institutional environment, and the creativity of Internet users (Garrett and Edwards, 2007). During the strikes at all three factories, government and capital struck back at the workers' action online and in other media, yet the workers immediately responded by altering their own action. The exploration of the complicated interaction between the state, capital and workers on the Internet should be helpful in deepening our understanding of the complex significance of the attributes of Internet technologies for labor resistance within a given "state-society" relationship.

Throughout the process of the three factory strikes, the first half of the strike at Factory A received widespread coverage by television stations, newspapers and Internet media. It was even reported by some of the mainstream government media groups. However, after about a week, the government placed a ban on reports of the strike in domestic traditional media and some of the main web portals. Also, the TTX forum through which the workers had been connecting with the outside world was closed down. With the strikes at factories B and C, the government banned media coverage by major media agencies right from the beginning. Of course, the workers were still posting information on the strike via various forums and their own QQ spaces, and news or forwarded posts could also be seen on websites other than the main portals.

The resistance of the workers with the government and capital over QQ Groups was full of even more drama. When the workers at Factory A realized that there were staff on the side of the owners who had joined their Group, they immediately switched to using a new Group. Following this, the workers' QQ Group was shut down by the government. The workers took lessons from this and once again set a new Group.

At Factory B, monitoring by the owners was more severe. Not only did the owners monitor and track the strike activists, they also secretly joined their Groups and noted what the activists were saying, and were using this as a basis to intimidate and berate them:

> Our QQ Group wasn't actually closed down, but we heard that the Japanese accessed it and read the chat history. One of my workmates knew about it and she knew all about it. She sent us messages telling us not to go to work, she sent a load of them, and she sent messages on QQ. Then, she was called in to the company, and they said she was taking a leading role. She said that it might have been that the messages she was sending us were being monitored and controlled, and that's how the company knew so much.
>
> FACTORY B, 21 JANUARY 2011

A group of the main strike activists at Factory B switched their communication platform to YY Voice (a network similar to Skype) and used code words to discuss arrangements for secret gatherings (Barboza and Bradsher, 2010).

8 Conclusion

The emergence and popularization of a new way of life may bring with it the re-configuration of people's lifestyles, personal networks and values, and may even lead to even larger transformation on a systemic level. Rather than simply using the Internet, people are living within it. In this sense, many research topics within the social sciences in the future will be inextricably linked to analysis of the Internet. China's new workers are caught up amongst structural difficulties, yet at the same time they are also lacking in institutionalized, organizational resources and discourse resources. This study, through case studies of the three strikes, has demonstrated the possible roles and mechanisms of ICTs, in particular the Internet, for molding the cognition of these new workers, and in both internal and external mobilization for stimulating collective resistance (see Table 6.1).

TABLE 6.1 *The Internet's Possible Mobilization Mechanisms for Workers' Resistance and Potential Challenges*

Mobilization Mechanism	Specifics of Mechanism	Significance of Mechanism	Potential Challenges
Mobilization of cognizance and sentiment	Change in cognition; strengthening of cognition; support of cognition; spreading sentiment	Heightening the sense of awareness about participation; promoting unity	The discourse of consumerist competition
Mobilization and organization	Establishing contact; sharing experiences; timely mobilization	Strengthening and creating social capital; ensuring that the action is orderly and effective	Monitoring and being blocked by government and factory owners/ business operator etc.
Mobilization of outside strength	Timely distribution of information and news about the action, pictures and recorded footage etc.	Changing political opportunity structures; avoiding suppression; seeking justice	Government censorship negatively affecting the timeliness and effectiveness of outside attention
Mobilization by providing a kind of blueprint for others to draw upon	Showing the format a strike and negotiations might take, strategy and method etc.	Providing material for reference of the experiences of others to be compared and learned from	System used by government to censor/block changes according to specific context

This is evinced specifically in the following: heightening the desire to participate and strengthening collective unity through cognitive and emotional mobilization; exploiting the Internet for organization and mobilization to ensure that the movement is orderly, rational and efficient; mobilizing external forces in order to alter the political opportunity structures and avoid suppression; and providing a precedent or frame of reference to be learned from and imitated. However, these are just possible paths, and the final effect that the Internet will have upon collective labor resistance is inseparable from how it is used innovatively by the workers within the context of the current

"state-society" relationship. Every move of workers to use the Internet in their collective resistance is followed by the control and counter-moves of the state and of capital. However, research shows that whilst the state finds it easy to control traditional media, taming the Internet is an entirely different matter. The publication of news on the major web portals can be controlled, but it is practically impossible to control the spread of information and interaction by the hundreds of thousands of news carriers. News can be screened for the most sensitive information, but there is no way to obstruct workers who are faced with the struggle of existence from using, paying attention to, and contemplating the various types of everyday information that is related to their own fate. There is no stopping the emergence of batch after batch of new worker subjects who are sensitive to their own plight and the structural roots behind it and have a strong sense of the need for resistance. The unique traits of the Internet provide an enormous and flexible space that can be utilized by different groups. Within the context of the "state-society" relationship, how workers utilize this space to protect their own rights and interests, how they change the configuration of the current system on a macro level, and how they even reconfigure "state-society" relationship—all these remain significant subjects for future research on labor.

Of course, the emphasis on the mobilizing role of the Internet does not necessarily mean that the role of the traditional dormitory, place-of-origin, classmate networks and that of traditional media and technologies in launching and organizing workers' collective action at OEM factories should be overlooked. In mobilizing workers to resist, the Internet goes beyond traditional methods of mobilizing, whilst both complementing them and being complemented by them. The Internet has broken through the spatial limitations of dormitory, place-of-origin, production line and classmate networks, and as thus it presents the possibility of breaking through the current political opportunity structures. In addition, it provides a stimulating source of information and supplies a frame of reference and access to the experience gleaned through other strikes. The interactive nature of the Internet and its nature as a source of diverse information mean that in comparison with other forms of media like television and newspapers, it has greater potential to break through censorship and closure by the state. The coordination of action using QQ Groups is also faster and more convenient than in the past, when workers would only use their mobile phones. The above case studies have shown that in strikes, the workers would use the Internet to weave classmates, workmates, people from the same place-of-origin and all other kinds of contacts into a more organic network that was larger in both scale and scope. Moreover, when organizing and coordinating collective action, they

would use both mobile phone text messaging and face-to-face interaction to complement their use of the Internet. The rich information on the Internet is constantly shaping the cognition of the workers and in doing so inducing the new demands of the workers as well as heightening their desire to participate. The organic combination of the Internet and traditional methods of mobilization is strengthening the strategic, unified and organized nature of workers' resistance. Then, the spread of the news about the resistance outside of the site of resistance itself is further inciting and affecting more widespread resistance action.

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CHAPTER 7

The Impacts of Labor Migration on Rural Poverty and Inequality*

*Tan Shen***

1 Introduction

From the very outset, the internal migration of China's rural population has been linked to the issue of poverty. Early studies made in the 1990s show that one of the main reasons, or even *the* main reason, that people leave rural China is to help their families to escape poverty. There are of course many other reasons, for instance, to get out of the countryside, to seek development opportunities, to escape problems and so on. But in terms of the number one reason, different types of study have all revealed a direct connection to escaping poverty.[1]

It was in the 1980s that the issues of poverty and anti-poverty work in China came to the fore. Whilst there have been different understandings about what constitutes poverty, when it comes to the successes achieved over the years

* The main research materials for this article originate from a joint project by a research team from the Institute of Sociology, Chinese Academy of Social Sciences and the World Bank named "*Xin shiqi zhongguo pinkun pinggu: dingxing yanjiu*" (An Assessment of Poverty in China in a New Era: A Qualitative Study). The director of the research team was Wang Xiaoyi. I was one of the core members of the research team, and I led the follow-up study on J Village, Sichuan and the village's outgoing migrant population. The results produced by the team upon concluding this study form the basis for this article. These include interview materials and specific reports at the village level. The final results of this study are to be published by the Social Sciences Academic Press (China). (This article was first published in Chinese in *Open Times*, 2009, No. 10).

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1 See "Migrant Workers" Research Team, "*Zhujiangsanjiaozhou wailai nongmingong zhuangkuan*" (Migrant Workers in the Pearl River Delta), in *Social Sciences in China*, 1995 Vol. 4 (Ch); Du Ying, Bai Nansheng (eds.), *Zouchu xiangcun: zhongguo nongcun laodongli liudong shizheng yanjiu* (*Leaving the Countryside: An Empirical Study on China's Labor Migration*), 1997, p. 34, Beijing, Economic Science Press (Ch); "Characteristics of the Organization of China's Rural Labor Migration" Research Team, "*Zhongguo nongcun laodongli liudong de zuzhihua tezheng*" (Characteristics of the Organization of China's Rural Labor Migration), in *Social Sciences in China*, 1997, Vol. 1 (Ch); Cai Fang, *Zhongguo liudong renkou wenti* (*The Issue of the Migrant Population in China*), Zhengzhou, Henan People's Publishing House, (Ch).

in anti-poverty work, the following two points are generally accepted, be it by official sources, researchers or the public:

First, if we look at the overall situation of poverty in China, we can see that there have been huge reductions in absolute poverty over the last twenty or so years. According to publicly available official data, in 1985 there were 1.25 hundred million people living in absolute poverty. By 2006 this figure had dropped by over 80% to 21.48 million.[2] In 2008, the poverty line was raised, and the threshold for absolute poverty was combined with that for low-income to form one unified standard. As such, the target population for poverty relief increased to 40.07 million people.[3] Nonetheless, when compared with the early poverty alleviation in 1985, which also coincided with the beginning of rural migration, the reduction in poverty is still striking.

Second, as members of the rural labor force left home to find work, the effect this had on increasing family income and improving living standards played a positive role in local economic development. For example, in 1985, 18% of the net income of people in rural China was made up of income from wages, whereas by 2007 this had increased to 38.6%.[4]

However, there were other related problems that came sharply to the fore. Each new wave of people leaving rural China to find work was greater than the last. In recent years, these people have already come to constitute over a quarter of the rural labor force.[5] Yet we failed to see a reduction of the disparities

2 "*Zhongguo gaigekaifang yilai nongcun pinkun renkou jianshao 2.28 yi*" (Since the Beginning of China's Reforms and Opening, the Population of Rural People Living in Poverty has been Reduced by 2.28 hundred million) [online] Xinhua net, available at http://news.xinhuanet.com/fortune/2007-05/26/content_6156047.htm, [visited 8 September 2009] (Ch).

3 Gu Zhongyang "*Wo guo xin pinkun biaozhun shangtiao fugai fupin duixiang 4007 wan ren*", (China's New Poverty Line Raised to Cover 40.07 Million People) *People's Daily*, 17 March 2009, First Edition (Ch).

4 *Gaigekaifang 30 nian: chengxiang jumin shenghuo cong pinkun xiang quanmian xiaokang maijin* (30 Years of Reforms and Opening: The Lives of People in Urban and Rural China are Moving from being spent in Poverty towards Overall Moderate Prosperity) [online] *zhongyang zhengfu menhu wangzhan* (The Central Government of the People's Republic of China Portal), available at http://www.gov.cn/gzdt/2008-10/31/content_1136730.htm, [visited 8 September 2009] (Ch).

5 The second general census on the agricultural labor force determined that this was a labor force of 5.31 hundred million people. See The Leaders Office Working Group on The Second National Agricultural General Census of the State Council, National Bureau of Statistics, *Di er ci quanguo nongye pucha zhuyao shuju gongbao* (*di wu hao*) (Public Report on Main Data from the Second National Agricultural General Census, No. 5) 27 February 2008, [online] National Bureau of Statistics Website, available at http://www.stats.gov.cn/tjgb/nypcgb/qgnypcgb/t20080227_402464718.htm, [visited 8 September 2009] (Ch); at the end of 2008 the migrant

between rural and urban China, and of wealth inequality within rural communities. On the contrary, these problems have gradually become more pronounced. For instance, in 1984, the gap between rural and urban income had shrunk to 1.71:1, but after the 1990s, rural-urban income disparity continued to grow, so that by 2006, it had risen to 3.28:1.[6] Research by the Institute of Population and Labor Economics at the Chinese Academy of Social Sciences (中国社科院人口与劳动经济研究所) posits that in the last seventeen years, the disparity in absolute terms between income in rural and urban China has increased almost twelvefold.[7] This has resulted in the emergence of the Three Rural Issues (*sannong*, 三农问题) (rural areas, rural people, and agriculture), as well as the issue of migrant workers, and has become a focal point for serious government and social concern.

What this apparently contradictory phenomenon demonstrates is that under circumstances where there have been enormous reductions in rural absolute poverty and widespread improvements in living standards, the relative poverty that arises through inequality gradually emerges as the main problem. So, how does this relative poverty occur? What are the effects of this migration of rural labor and the rural population upon inequality?

This article is written on the basis of existing research. My prior poverty-related research is for the most part limited to economic and social dimensions.[8]

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worker population was 1.4 hundred million people, see "*Tongjiju:jiezhi 2008 nian mo quanguo nongmingong zongliang wei 22542 wan ren*" (Bureau of Statistics: the Total Migrant Worker Population at the end of 2008 is 225,420,000) [online] (Authors note: this includes the figure for those going to work in a town within their own local rural area), *Zhongyang zhengfu menhu wangzhan* (The Central Government of the People's Republic of China Portal), available at http://www.gov.cn/gzdt/2009-03/25/content_1268173.htm, [visited 8 September 2009] (Ch).

6 "*Chengxiang jumin shouru chaju reng zai kuoda 2006 nian da 3.28:1*" (Disparity between Urban and Rural Income Continues to Grow, Reaching 3.28:1 in 2006) [online] Zhongguo wang, available at http://www.china.com.cn/news/2007-09/13/content_8870200.htm, [visited 8 September 2009] (Ch).

7 *Shekeyuan: zhongguo chengxiang jumin shouru chaju 17 nian zengjia 12 bei* (Academy of Social Science: Income Disparity between Urban and Rural Chinese Increases Twelvefold in Seventeen Years) [online] *Zhongguo Xinwen Wang* (*ChinaNews.com*), available at http://www.chinanews.com.cn/cj/gncj/news/2008/10-15/1412625.shtml, [visited 8 September 2009] (Ch).

8 See Tan, S. and Zheng, G. "*Wailaigong Xuqiu Diaocha Baogao*" (Report on the Needs of Migrant Workers) in Contemporary Chinese Studies Center, Tsinghua University and Guangdong Provincial Women Cadre's School, 2003 (Ch); Tan, S. (ed.) "*Sichuan sheng T xian 'gongshang fanxiang dagongzhe tanfang' xiangmu ziliao huiji*" (Collection of Materials from the "Visits to Workers who have Returned Home due to Work-related Injuries" Project, T County, Sichuan Province) Printed by T County's Female Migrant Worker Service Center and T County's Women's Federation (internally circulated), 2004 (Ch); Tan, S. "*Wailai nügong de anquan yu jiankang*" (The Health and Safety of Female Migrant Workers) in *Shehui zhuanxingqi de*

Economic poverty encompasses both absolute and relative poverty. The notion of absolute poverty basically continues to use the traditional connotations of poverty, in other words, material living standards that are lower than current average living standards. Relative poverty, on the other hand, mainly refers to disparity in income. The social elements linked to poverty are inequalities in social status and social resources. In addition to this, culture has a deep impact upon rural poverty. Zhang Xiaojun (张小军) has interpreted the production of cultural poverty from the perspective of cultural deprivation. His discussion of migrant workers mainly focuses on the culturally inferior position of migrant workers in urban China.[9] Yan Hairong (严海蓉) has argued that rural China has been counter-posed against the "modernity" of urban China, and thus constructed as a cultural wasteland, forcing young people to leave the countryside, altogether creating a process of "increasing vacuity in rural China."[10] Those studies on New Generation Migrant Workers (新生代农民工) or Second-Generation Migrant Workers (二代农民工) all raise the issue of the difficult choice currently facing young people who move away from rural China to find work and the psychological dilemma it puts them in, as they are "unable to stay (in the city), but unable to go back (to the countryside)."[11]

Between 2006 and 2008, I participated in a qualitative study on rural poverty.[12] The perspective adopted differed from that of those studies conducted at a national level, which draw upon quantitative data. Its main research objectives were to discover the mechanisms of poverty and to analyze how at different levels, poverty and poverty alleviation come about. That is to say, what are the effects of the migration of labor and the rural population on a person's family, on his or her place of origin and on that person himself or herself? What is the

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zhongguo funü in (*Chinese Women in a Period of Social Transition*), Meng, X. (ed.) Beijing, China Social Sciences Press, 2004 edition, (Ch).

9 Zhang Xiaojun and Pei Xiaomei (eds.) *Nengli yu pinkun: zhongguo chengshi pinkun renkou de ge'an yanjiu* (*Capabilities and Poverty: Case Studies of Urban Poverty in China*), Hong Kong Social Science Publishing House, 2007, 201–204 (Ch).

10 Yan Hairong, "*Xukong de nongcun he kongxu de zhuti*" (Depleted Countryside and Distressed Subjects), 2005, Vol. 7 *Dushu* (*Reading*), (Ch).

11 See for example Wang Chunguang's work on "New Generation Migrant Workers," and the research of Pun Ngai and Lu Huilin on the "second generation of peasant-workers."

12 Working Group from the Institute of Sociology, Chinese Academy of Social Sciences, "An Assessment of Poverty in China in a New Era: A Qualitative Study," twelve villages were selected from across six provinces in the western and central regions, and the eastern region, to undertake in-depth, detailed qualitative research into both the mechanisms that cause rural poverty to occur, and anti-poverty strategies. This study will be abbreviated to "Qualitative Study on Poverty."

relationship between these effects and inequality? These research objectives determine that our research should mainly be of a qualitative nature, and that we should strive to adopt a bottom-up perspective. This article undertakes analysis at different levels: the rural family, the community, and the migrant worker.

2 Migration and Poverty at the Family Level

The rationale behind selecting the rural family as the first level for observation is that the family is at the very heart of life for people in rural China. It is the link between the individual and the community. The status of an individual within community life is decided by his or her family. This is uniquely characteristic of China. For those who are already married, the main objectives of their leaving home to find work arise from what the family needs. For those who are not yet married, the needs of their family are also one of their most important motivations.[13]

This research shows that for those villages from which there is a large outgoing migrant population, the main source of a household's cash income is migrant work. Migrant work is, for the majority of families, an important channel through which to escape poverty. It has become generally accepted amongst many rural people that "if you don't leave to find work then you'll have no money." In ten of the villages that we visited to undertake the research, it was very much commonplace for the villagers to emphatically confirm the significance of migrant work.

Some people had managed to achieve a relatively high income by way of leaving home to find work or going into business, creating their own career or taking with them their whole family, leaving the countryside for the cities and altering their household registration. However, amongst those who leave the countryside, this kind of situation is extremely rare.

To the majority of migrant workers and their families, their work had enabled a certain improvement to the way family members live, how they are clothed and fed, and so on. For the things that they could not afford in the past, they were now able to go ahead and buy them, and for the things they could

13 Of course, the individual aims of migrants are also extremely important; this is even more the case for those who are young and unmarried. See Tan Shen "*Jiating celüe haishi geren zizhu? Nongcun Laodongli waichu juece moshi de xingbie fenxi*" (Family strategy or individual autonomy? A gendered analysis of the models for decision making over the outmigration of rural labor) in *Zhejiang Xuekan* (Zhejiang Academic Journal), 2004, Vol. 5 (Ch). A discussion of these issues is included in the latter part of this paper.

not afford to eat in the past, they could now eat. Many families had built new houses. In the rural areas where we undertook our research, those households that had built two or even three new houses, each replacing the last, were all able to do so, because they had family members that had left home to work. Those families that still lived in the same old houses where they had been there for decades were usually poor households that had no income from migrant work. As such, in terms of its significance related to absolute poverty, migrant work has a positive role to play in improving the living standards of rural families. A villager from Q Village in Inner Mongolia explained:

> Twenty years ago we never had enough to eat. Ten years ago although there was enough to eat, we didn't have a lot of money. We used to eat corn, now we eat flour and rice. We used to just eat whatever was in our yard rather than go and buy food, but now people go and buy their vegetables. Ten years ago we would only slaughter a pig to eat at New Year. There'd be some households that couldn't even manage that. When you had guests, you'd go and buy a bit in. But now if you want to eat something, you just go out and buy it. Now, at New Year, every family slaughters a pig. The leftovers are stored, and some people cure the meat. Ten years ago, the pigs that we killed were scrawny and didn't have much meat or fat on them. Now the pigs we have are big; you can make oil out of them. These days, people rear pigs to sell off, whilst ten years ago you didn't even have enough pork to eat yourself. We used to wear homemade cotton overcoats, but nowadays we buy protective winter clothing and coats made with down.
>
> Q VILLAGE, INNER MONGOLIA (内蒙古), INFORMAL DISCUSSION WITH VILLAGERS[14]

Nonetheless, our analysis leads us towards the argument that for the majority of rural families, income from migrant work mainly plays a kind of equalizing role; it helps them to maintain a standard of living that is around average locally. In recent years, along with improvements in living standards, the outgoings of a rural family have also been increasing. For instance, the cost of everyday living, of agricultural goods and of socializing is rising. It is very difficult for a household depending purely on income accrued from agriculture to handle these costs. The locations for the Qualitative Study on Poverty were mainly impoverished or relatively poor villages. These areas really didn't have

14 "Q Village, Inner Mongolia, Sub-Team Research Material" from the "Qualitative Study on Poverty", the leader of the sub-team was Zhan Shaohua, and the main team members included Wang Yan and Zhang Wei.

great living standards, but even just to maintain things as they were they had to rely on migrant work. Take for example S Village in Jiangxi Province (江西省), where the typical model of the division of labor amongst family involves the young, fit and healthy going away to find work, whilst the elderly or some of the women stay at home and take care of agricultural production. The grains and vegetables the household produced were enough to sustain the whole family, but the costs of this production depended on income from those working away from home. If there *was* no income from migrant work, even if they were to take out a loan, they would be unable to then clear it.[15] X Village, in Jiangxi Province is a village with a particularly high concentration of out-going migrants due to the building of a dam. The villagers there explained that they had moved here for fifteen or sixteen years, yet there had been no change in terms of other production. They felt that if it wasn't for the rising trend for doing migrant work, then the lives of the villagers would be even tougher. We conducted interviews at seventeen households here. These interviews reflected that for twelve of those households, income from migrant work accounted for over 70% of the total family income.[16]

In the meantime, the costs of maintaining family reproduction—building homes, marriage, education and medical care—were growing even more rapidly. Participants in some villages reflected that the cost of building just an ordinary new house was almost tenfold that of ten years ago. When they met with this kind of bulky family expenditure, rural families would often opt to borrow the money, and then return it by income earned through migrant work. For many people, returning money became the direct goal of going away to do migrant work. LRF's story is a typical case:

> I left home to find work in 1991. It was because my family built a new house and spent over 4,000 *yuan*; 2,000 *yuan* of that was borrowed from my maternal uncle. I went away again to find work at a brickyard to make the money we owed for building the house.

Life for him doing migrant work was really tough, and he still barely made any money:

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15 "S Village, Jiangxi, Sub-Team Research Material" from the "Qualitative Study on Poverty," the leader of the sub-team was Wang Xiaoyi, and the main team members included Ma Chunhua, Hua Chuanguo and Liu Chunchun.

16 "X Village, Jiangxi, Sub-Team Research Material" from the "Qualitative Study on Poverty," the leader of the sub-team was Xiao Tangbiao, and main team members included Huang Xuesong, Liu Shiqing and Liu Xiaoqing.

> After getting married I stayed back home to grow *mu'er* (木耳, a type of edible fungus commonly used in Chinese cooking), but I ended up losing money. At that point I was thinking, "I'm going to have to go away again and do migrant work, for I need to return these loans!"
>
> LRF'S LIFE HISTORY, J VILLAGE, SICHUAN PROVINCE[17]

For the majority of rural households, the income from migrant work only props up a basic equilibrium. It is very rare that money can be saved up. Just as a villager from D Village in Gansu Province (甘肃) explained, "the money from doing migrant work is just spent, there's no saving up or improvement in how well-off we are."[18] Those households who were better off and for whom it was possible for the whole family to live in the city were also unable to amass savings due to the high cost of urban living. As a result, when they grew older, the majority of migrant workers would return to their place of origin in the countryside and go back to their old way of life.

However, this kind of equilibrium is often a fragile one. First, leaving home to find migrant work meant reliance on the outside labor market. Economic fluctuations, lack of market standardization and social discrimination all directly affect the employment opportunities and income of migrant workers, yet these factors are all things that migrant workers from the countryside have no control over. Through a study conducted in 1998 in J County, Sichuan Province (四川省), I found that due to the impact of the 1997 financial crisis a great number of people that had left home to work in Guangzhou (广州) had no choice but to return to the countryside because they were unable to find work. At the end of 2008, according to data from the county's Bureau of Labor (劳动局), out of more than 5,000 migrant workers that had gone back to the countryside at that time, almost half had found themselves with no choice but to return home given the impact of tough financial conditions causing enterprises to fold or make staff cuts.[19] Under normal circumstances, it is also common

17 "J Village, Sichuan, Sub-Team Research Material" from the "Qualitative Study on Poverty," the leader of the sub-team was Tan Shen, and the main team members included Xu Ping, Zhuang Ming and Cheng Yao.

18 "D Village, Gansu, Sub-Team Research Material", from the "Qualitative Study on Poverty," the leader of the sub-team was Zhang Xiaojun, and the main team members included Ma Yaping and Zhu Yujing.

19 Institute of Sociology, Chinese Academy of Social Sciences project: "*Nongcun waichu wugong nüxing yanjiu*" (A Study of Female Rural Migrant Workers), (Ch), sponsored by the Ford Foundation, I was the director of this project; Li Xiang "*Baiwan nongmingong mianlin caiyuan weiji fanxiang chao zai ci 'zhen' sichuan*" (The Wave of Vast Numbers of Migrant Workers Returning to the Countryside in the face of the Crisis of Staff Cuts once

for migrant workers to meet with unemployment. Studies undertaken in 2002 by me in Guangzhou, and Li Qiang (李强) in Beijing (北京), showed that of those migrant workers participating in the research, one third and 100% respectively had experienced over a month of unemployment.[20] When faced with this kind of situation, migrant workers may even need to rely upon their families in the countryside to send them money, or borrow money to keep them going.

For those migrant workers who came across unanticipated difficulties or failed in finding work, their families in the countryside directly suffered the effects. In recent years, much attention has been paid to incidents involving wages arrears, occupational safety failures, and people being ripped off whilst away from home working. At the same time as infringing upon the rights and interests of the migrant workers themselves, these incidents bring all kinds of difficulties for the families of migrant workers. Some become completely impoverished as a result, whilst others experience troubles in family relationships. Take for instance, a study planned by me on sixteen rural townships in J County, Sichuan Province in 2004. There were 346 recorded instances of people becoming ill, disabled, or even dying whilst working away from their homes. Amongst them were 242 people from Town Z, or 2.4% of that town's total population of over 10,000, who left there to find work. One of the damaging effects that these incidents befalling migrant workers had on their families was the change in their economic situation. Three out of every four families saw their living standards drop beneath the average for their local area. There were thirty-six families that became "very poor" households.[21]

CKS: Male, Group One, Village S. In December 1999, he went away to work through the introduction of a relative. His monthly wage was around 800 *yuan*

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again 'shakes' Sichuan), [online] CCTV.com, quoted on Sohu.com, available at http://news.sohu.com/20090111/n261689952.shtml, [visited 8 September 2009], (Ch).

20 Tan Shen and Zheng Guanghuai "*Wailaigong xuqiu diaocha baogao*" (Research Report on the Demand for Migrant Workers) (Ch); Li Qiang and Tang Zhuang "*Chengshi nongmingong yu chengshi zhong de fei zhenggui jiuye*" (Migrant Workers and Informal Employment in the City) in *Sociological Studies*, 2002, No. 6 (Ch).

21 This was an action research project by the T County branch of the All-China Women's Federation, Sichuan, the project leader was Wang Feng, and Tan Shen and Xu Ping acted as consultants and participated in the project design. The project was sponsored by the Asia Foundation. See Tan Shen (ed.) "*Sichuan sheng J xian 'Gongshang fanxiang dagongzhe tanfang' xiangmu ziliao huiji*" (Collection of Materials from the Project: "Visiting Migrant Workers who have Returned Home due to Injury at Work," J County, Sichuan Province), here there were 223 recorded cases amongst 346 households; for 123 households we did not have the relevant information.

and he worked ten hours a day. In 1999, whilst working in a coal mine in Guiyang (贵阳), he was injured during a collapse in the mine. He was hospitalized for over two months and the cost for his treatment was tens of thousands of *yuan*. The mine covered all of these costs, and after going through the various levels of appraisal to identify the injury as work-related and to certify that he was, in fact, disabled, he received 4,000 *yuan* in compensation and made an application for arbitration. In 2000, he returned to his home in the countryside unable to work. To date, he remains unmarried, and there is his mother of over seventy at home who needs to be looked after. Life is very tough.

PY, from Village Z, thirty-five years old, in 2003 went to work away at the Zipingpu (紫坪铺) water conservation project in Dujiangyan (都江堰) through an acquaintance. He was working as part of a privately contracted geological surveying team. At 9 o'clock one evening whilst he was doing overtime, his lower back was injured when a drill went out of control, and the lower half of his body was crippled. He received no compensation, and after having been hospitalized for some time to receive treatment, he was sent back home, unable to live independently. His wife left, and he heard nothing more from her, whilst at home there were his eighty-year-old mother, his father, who was approaching ninety, and his two children, a son and a daughter. At present they depend on the meager pension of his old father, Rural Minimum Income Support (*nongcun dibao*, 农村低保), the financial assistance of his three elder sisters and social donations, both to live on and for the children's schooling. After carrying out their interviews, the researchers happened to come across the P family's plot of allocated land. It was thick with weeds since there was no one to work the land.[22]

There were also a great many cases of this nature that came up during the "Qualitative Study on Poverty":

> In 1989, MSZ was doing road construction work in Yushu County (玉树县), Qinghai Province (青海省). At that time, before he had received his wages, the boss had made a run for it, the accountant also disappeared, and the workers went to report it to the Bureau of Public Security (公安局). Chinese New Year came and went, and following the festival, the matter fizzled out without resolution. Since at that time not only had he failed

22 The research was conducted by Tan Shen, Xu Ping, Cheng Yao and Liu Huiping in J County, Sichuan Province Work Injury Project in 2004. See also Tan Shen (ed.) "*Sichuan sheng J xian 'Gongshang fanxiang dagongzhe tanfang' xiangmu ziliao huiji*" (Collection of Materials from the Project: "Visiting Migrant Workers who have Returned Home due to Injury at Work," J County, Sichuan Province").

> to receive the money he had earned, but had also borrowed money from someone else for his travel costs, he now actually owed money. For the next six or seven years, he remained in the countryside because he had a young child at home, and he also had to take care of the agricultural work. In 1998, when he did leave to find work, this time to do road construction work in Tibet (西藏), again he ended up being swindled by his boss, who left him with no wages. This meant that there was no money for his eldest son to go to middle school.
>
> H VILLAGE, GANSU PROVINCE, *Life History*[23]

> In 1990, Yang XX went to Liaoning Province (辽宁省) to find work. He found work at a brickyard, and subsequently had his leg crushed by the machinery there. Following this, he returned to the countryside. To date, he is still yet to marry, and he lives in poverty.
>
> Q VILLAGE, INNER MONGOLIA, *Life History*[24]

> In 1990, Wang XX also went to work at a brickyard in Liaoning. As a result of an accident at work, he returned to his home in the countryside to recover. After falling ill, the need to eke out an existence forced him to go away once again to find work. In the end, overwork caused him to become partially paralyzed, and he basically lost the ability to work altogether. His household became one of the few in his village to receive Rural Minimal Income Support.
>
> Q VILLAGE, INNER MONGOLIA, *Life History*[25]

In those poorer regions where there is no other industry, a further direct factor affecting whether or not a family suffers from poverty is the composition of the family in terms of ability to participate in work, which is influenced by the life-cycle of the family. This is because these rural families rely on outgoing migrant work for the majority of their income. During the stage when a family's children are still young and have not reached working age, and the grandparents are becoming elderly and need to be cared for by the younger generation, there are not enough people to work, and the family is likely to be relatively poor. When the children enter employment age, and have come

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23 "Section of Material on H Village, Gansu Province," from the "Qualitative Study on Poverty," the leader of the sub-team was Zhang Xiaojun, and the main members of the team included Ma Yaping and Zhu Yujing.

24 "Section of Material on Q Village, Inner Mongolia" from the "Qualitative Study on Poverty."

25 Ibid.

to the stage where they can go out and find work to make money, the family may break free from poverty. However, when these offspring come to an age when they themselves marry and start their own families, the family will again become affected by poverty. If the family lacks sufficient laborers and is also faced with the costs of some unforeseen incident, the equilibrium arrived at by the family will be shattered and they will slip into poverty.[26]

3 Migration and Poverty at the Community Level

While increasing the family's income, labor migration also has a variety of impacts on the rural communities from which the workers leave. Also, the experiences of different groups vary.

3.1 *Positive Effects of Out-migration on the Community*

The local governments of migrant labor export areas usually fully recognize the impetus to economic development prompted by outgoing labor. It was precisely for this reason that during the early period of internal labor migration in China, when on the whole the state adopted a controlling attitude towards the Wave of Migrant Workers (民工潮), the local governments of many out-going areas (for example county, town and township governments) directly participated in and promoted initiatives for the out-going migration of their local labor force. For example, they established corresponding agencies in out-going and destination areas, entered into direct contact with employers, and organized labor migration. Z Town in Sichuan Province, which participated in the "Qualitative Study on Poverty," had begun this kind of activity as early as 1987. T County, to which this town belongs, is an agricultural county. It is the least economically developed amongst all of the counties that fall under the jurisdiction of CH Municipality. Through their research, the leaders at that time came to believe that the out-going migration of labor was a path towards economic development. They established specialist agencies, and meticulously arranged for the early migrant workforce that went to work in Guangdong. This gradually prompted Z Town and even the surrounding townships and counties to experience a wave of out-going migrant workers. Z Town has been referred to in the media as "the first migrant-worker town."[27]

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26 See "Section of Material on S Village, Jiangxi Province" from the "Qualitative Study on Poverty."

27 From a study I conducted.

In those areas where the migration of labor was mostly spontaneous, the costs associated with out-migration, including the spending in human resources, travel, job-seeking and living in the initial job-search period, were all paid for by migrant workers' families or by themselves. Basically, the government did not need to make any financial investment. However, the benefits of migrant work were instantaneous. The local economy was boosted by consumption based on the income from this work. In the 1990s, the media commonly made reports of "the amount of funds remitted to X X area from local outgoing migrant workers is equivalent to X times the local fiscal revenue." Moreover, some migrant workers would return to small towns and cities in their local area and establish their own enterprises as private traders (*geti*, 个体户), which again increased the local tax revenue. This made the majority of local governments to become aware of the advantages of out-migration. As the export of migrant labor became part of a local government's strategy for market participation, for those regions that were largely agricultural, "the migrant-work economy" often became an important or even core local industry. One after another, different areas asserted that they would make the industry in out-migration "great and strong," and create a brand for their local migrant workers.

In recent years, with the use of rural land for development, the exchange of rural land has taken on a new model. Whilst originally, land was transferred between rural households, this model was transformed into one operated together by government and business. One method operated by government is to re-gather land that has been allocated to rural households, sort out the land and then bring in business parties to undertake scaled profit-making ventures. There are two problems that emerge from this: where does the money come from, and where do the people go? The essence of the second question is one of employment for the rural people who lose their land. In accordance with the plans in some places, the rural households to which the land had originally been allocated would receive rent from the new business operator. Labor from that family would either work for the new operator, thus gaining an additional wage income, or they would become migrant workers. This would appear to be a model through which everyone (the rural household, business operator and government) was a winner. As such, many local governments actively promoted the model, and since the export of migrant labor was helpful to the process of re-gathering the land, it was all the more promoted.

In some areas, following implementation of this policy, rural households did in fact benefit. However, in this model, the legal relationship between the three parties is unclear. Moreover, it is quite apparent that the rural household has

only a passive position within the relationship. How to protect their right to benefit from the land? How to secure the employment of older migrant returnees to the countryside? It was most likely that both the issues were waiting to happen.[28] Then, as one of the Three Concentrates (三个集中), the accompanying policy, the concentration of the residency of rural people is somewhat burdensome for villagers. Three Concentrates is defined as the following: industry is concentrated within development areas, land is concentrated in scaled commercial activity, and rural people are concentrated within residential areas. As such, a large number of people from the rural areas were to be relocated. Although they were to be provided with a certain amount of subsidies from the public finances, the main sum for building new houses had to be shouldered by these rural people themselves. Then, the standard for new housing was obviously higher than that in the past. For example, a villager from J Village in Sichuan Province told us that they would need to invest around 70,000 *yuan* themselves for a 120m^2 house, not including the cost for decoration. Thus, with the increase in housing cost, these rural people had no choice but to spend more money.[29]

Out-migration also plays a positive role in giving impetus to the expansion of local social resources and the improvement of human capital. Local governments believe that these rural people, by going away and gaining experience, would improve their skills and update their way of thinking. They "switch mindsets, make cash, and have new ways of accomplishing things." Amongst those who were more successful, some would establish organizations such as commercial clubs whilst away, becoming a potential social resource for the local area. Local governments would often hanker after establishing communication with those successful migrant workers, who expand their influence in the labor destination areas, attract business and capital, establish contact with the local government at the labor destination, organize out-migration, mediate in disputes, and even assist in handling the administrative tasks of the local government at the labor destination. For instance, during our research, we became acquainted with some friends who belonged to a commercial club in another area. They told us that when it came to switching to the new type of Identity

28 In the latter half of 2008, following the deepening of the impact of the economic crisis on the real economy, great numbers of migrant workers returned to the countryside after falling unemployed. However, some of them had already had their land re-allocated or had already lost their land, increasing rural land disputes and conflicts. See "*Nongmingong shiye diaocha*" (Study on the unemployment of migrant workers) in *Caijing* 2009, Issue 1.

29 "Section of Material on J Village, Sichuan" from the "Qualitative Study on Poverty."

Card (身份证), it was they who had assisted in the handling of these identity cards for over 10,000 migrants from their local area who were working here.

For many migrant workers, "seeing the world" is not just one of their objectives in going away (different studies have shown that this is second only to "making money" as a motivation for becoming a migrant worker), but when summing up their lives as migrant workers, they commonly assert that it is an important reward of this way of life. During this specific study, some of these workers said of themselves that they were "someone who has seen and learned things." On returning to the countryside, these people become a local organizational resource. Some of them become cadres in the local village organizations. For example, amongst the village cadres in F Town, J County, Sichuan, 20% had formerly been migrant workers. The leader of the town's organization department gave his take on this: "Generally, the people who have been migrant workers are relatively strong in ability. Since they have seen and learned, their attitude is a bit more proactive, and when they have something to say, they make a good point." However, he continued to say that 20% was actually still quite a low proportion, because "those migrant workers that have done reasonably well whilst away aren't willing to come and be a village cadre." (Interview with Town Government, F Town, T County, Sichuan Province, 25 February 2006) Also, through the experience they acquire while going away, these migrant workers gain a strong consciousness of rights-safeguarding. This has played a role in certain public affairs in their rural hometowns. For instance, when conducting research in J Village, Sichuan, we came upon two instances of collective action aimed at protecting the interests of the villagers. The main organizers were those who had experience away from home.[30]

3.2 *Negative Effects of Out-migration on the Community*

In recent years, rural issues have become an important focus of concern. In its discussion on community poverty, the Qualitative Research on Poverty sums this up as the problem of a lack of both material and non-material public resources. It posits that all of the following are both *manifestations* of community poverty and part of the *cause* of poverty: insufficient natural resources, a dearth of labor resources, the lack of effective maintenance of basic infrastructures, sparse collective income, inadequate organizational resources, the disappearance of identification with the community, the weakening of unity, the erosion of common interests, a paucity of mutual trust, and the loss of the

30 Ibid.

ability to undertake collective action.[31] There are also cases demonstrating that specific policies, major projects and so on have the potential to cause or relieve poverty in certain areas. As an example of this, take the policy of Swapping Farming for Forestry (退耕还林) in J County, Sichuan. This policy enabled the villagers to achieve a stable income for a certain length of time.[32] X Village in Jiangxi Province, on the other hand, is a village of migrants, relocated for the construction of the Three Gorges Dam (三峡大坝). The simultaneous existence of an Excellent Quality Project (优质工程), "backwards reservoir area" and "struggling migrants" caused the local community to sink into poverty.[33] However, regardless of which type of region we were looking at, the mobility of labor had a significant impact on that area.

First, the outflow of labor creates change in the composition of the population. Because the population that leaves is made up of the young and able, the population that remains in the village, in terms of age, develops in the shape of a dumbbell (its two ends are large whilst the middle is small). For those villages where the workforce does not go far afield to find work, this kind of change is not particularly obvious. However, those villages, where there is a greater concentration of outgoing workers and where those who leave for the most part do so in a longer term, demonstrate a classic dumbbell-shaped structure to their population. In these villages, the majority of the young and fit have left, primary and middle school students attend schools in the centralized schools or in the rural townships. Only the elderly people, a small number of adults, and children not yet of an age to attend school remain in the village. Whilst the outward labor migration enables the springing up of new housing within the village, a great many of these new houses remain empty or unlived in, becoming aged whilst still unoccupied. The phenomenon of increasing vacuity is clearly evident in this kind of rural area. In some areas, the proportion of young women leaving to find work outweighs that of the men, creating the dilemma of an imbalance of marriage partners for villagers. Take for example, Y Village in Yunnan Province. Here, although the proportion of the population that leaves to find work is not great, over twenty young men have not yet found wives in spite of now being thought to be reaching an older age. This situation is blamed upon the fact that the young women are going away from the village

31 Section on "New Characteristics of Poverty" in the "Qualitative Study on Poverty" overall report, authored by Wang Xiaoyi.

32 "Section of Material on D Village, Sichuan" from the "Qualitative Study on Poverty," the leader of the sub-team was Guo Hong, and the main team members included Gao Guizi, Fu Ying, Jiang Chunming and Zhang Weifeng.

33 "Section of Material on S Village, Jiangxi" from the "Qualitative Study on Poverty."

to find work or are marrying outside of the area.[34] In Z Town, Sichuan, the people for whom the government made arrangements to leave for work during the earlier period were female. However, it was quickly realized that those men left in the rural area might find it difficult to find a spouse. In response, the government adopted a method of matching males and females when arranging for labor migration so as to avoid this kind of imbalance.[35]

The dearth of labor resources, insufficient organizational resources, the weakening of unity and other problems, as summarized by the "Qualitative Study on Poverty," are directly connected to the large number of people going away from the countryside to find work. In discussing the positive effects of outgoing labor migration on the community, this article has pointed to the roles it can play in expanding local social resources and improving human capital. This can be understood as a double-edged sword. Whilst the experience gained by outgoing labor migration may improve the resources of the local population, these human resources do not play a role in the local community itself. So, in terms of the needs of their hometowns in the countryside, the overall standards are actually dropping. A simple example of this is that when building basic infrastructure like roads and tunnels, there are now fewer people that can take on the work. When doing research in J Village, Sichuan, we observed a road being built. It was very different to the times of the People's Commune (人民公社) when there were always people around to get the work done at the drop of a hat. Now, amongst the sparse group of workers, there were only a few young women, and the rest were all elderly people. Due to this lack of labor, the reciprocal help between rural households is also not what it used to be. In the past, it was possible to achieve certain things by neighbors helping one another out. Now, they had to go through the market. For some rural households, when it came to building houses or the peak season for farming, it was difficult to find the right workers to do the labor even if it was paid for. With the loss of its young, fit people, the village lost its character and vitality, and at the same time the sense of unity in the community was weakened, which became a direct reason for young people to leave. They explained that "there's no one to hang out with in the village," and "there's not even anyone to talk to."

As to other problems, the causes are complex, and yet one of those causes is the large population of outgoing migrant workers. For instance, the level of participation in rural public affairs has fallen. Some villagers believe that, with

34 "Section of Material on Y Village, Yunnan" from the "Qualitative Study on Poverty," the leaders of the sub-team were Chen Xin and Huang Xiaojun, and the main team members included Pan Jie and Yang Jing.

35 From a study conducted by the author.

the leaving of the young and fit, there are fewer people that dare to speak out, and the behavior of the party cadres is not effectively curbed. On the other hand, village cadres believe that since the elderly people who are left behind are unable to make decisions, it is difficult for many of the public affairs to be undertaken. Participation in public events within the community has decreased, and connections within the community have become much looser. In some regions, for events and village meetings held by the Party and the Youth League, people have to be given money in order to participate. Since there are already very few young people here, the Youth League organizations exist in name only. There are also few people participating in traditional cultural activities, and even occasions like Chinese New Year and Lantern Festival (元宵节, falling at the end of Chinese New Year, when the family is meant to be together) have become cold and bleak. "Compared with in the past, it's like two different worlds," and now it is only associations for the elderly that still host events. A village cadre from J Village in Sichuan shared with us his idea:

> The effects of this outward labor migration are both good and bad. In my opinion there are more negative effects, because after the young people have left and are working away from home, all they are concerned with is making money out there. They aren't concerned about their homes back in the countryside. . . . It's really difficult to develop public business, and you have to spend money to get people to come and get things done. It's really different to how things were before 1995 (when outward labor migration really began here). The difference is like heaven and earth. Also, the commitment to public affairs is impaired. They hardly have any public awareness, and all they've got on their minds is money.
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> VILLAGE CADRE, J VILLAGE, SICHUAN PROVINCE, INTERVIEW CONDUCTED ON 25 FEBRUARY 2006[36]

3.3 *The Impact of Outgoing Labor Migration on Wealth Disparity in the Community*

Based on the importance of migrant labor in increasing the income of rural families, we can infer that within a community, outward labor migration widens the gap between the better-off and the poorer families. This is a conclusion drawn to as early as the 1990s,[37] and has been since confirmed by many

36 "J Village, Sichuan, Sub-Team Research Material" from the "Qualitative Study on Poverty."

37 Du Ying and Bai Nansheng (eds.) "*Zouchu xiangcun: zhongguo nongcun laodongli liudong shizheng yanjiu*" (Leaving the countryside: empirical study on China's labor migration), 144–146, (Ch).

researchers. The "Qualitative Study on Poverty" also found examples that give further weight to this argument. In D Village, Gansu Province, "in 1986 and 1987 people from the village began to go away to make money, and at the peak of this trend three or four people would leave from one family. The people began to be stratified into two classes, and an income imbalance started to emerge in the village."[38] In S Village, Jiangxi, compared to ten years ago "the social composition has already seen great changes. Ten years ago, 80% of the rural households belonged to the lower stratum. Now over 80% belong to the middle stratum. The reason that the majority of rural families were able to move upwards from the low to middle stratum is mainly that they rely on income from migrant work."[39] In X Village, Jiangxi Province, "The main reasons why twenty-five households out of almost three hundred are well-off include: they have family members that have gone away to work, some families have multiple members that have done this, and they are all in good health. Out of the twenty-five well-off families, the nine that have people working away make up 36%."[40]

However, if we compare the circumstances of the families with members who have become migrant workers to those without any migrant workers, we realize that more often than not, those who leave a community to become migrant workers are from families somewhere around the middle stratum. In other words, they are not from poor households and nor are they from well-off households. There are two reasons for this. First, it takes a certain amount of capital for someone to go away from home to work, to cover the costs of transport, job-seeking and leave them with a living allowance. To poor households, this is not an insignificant amount, and they are unable to foot the costs. For those households that are relatively well-off, if they can make a reasonable income locally, it is not necessary for them to go away to work. Second, poor households are often those families that lack laborers, and they cannot send people away. In this sense, if we are to split rural households into upper, middle and lower stratum households, the change witnessed by the real upper and lower stratums is minimal, whilst those that do see relatively big changes as a result of family members going away to find work are at those middle income families. Their income from migrant work may improve the living standards of the whole family and their position within the community, and as a result widens the gap between themselves and the poorer households in the area.

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38 "D Village, Gansu, Sub-Team Research Material" from the "Qualitative Study on Poverty", the leader of the sub-team was Zhang Xiaojun, and the main team members included Ma Yaping and Zhu Yujing.

39 "S Village, Jiangxi, Sub-Team Research Material" from the "Qualitative Study on Poverty."

40 "X Village, Jiangxi, Sub-Team Research Material" from the "Qualitative Study on Poverty."

However, just as this article argues in its analysis of migration and poverty at the household level, as soon as the migrant worker meets with unanticipated difficulties, or they are unsuccessful, particularly when faced with injury at work, a car accident or serious illness causing them to lose the capacity to work, they immediately bring their family to the brink of poverty. Currently, part of the poor population within rural communities is formed of those who have encountered those difficulties whilst working away. Just as a report from S Village in Jiangxi Province points out, "Illness is the most important cause of rural poverty, and becoming a migrant worker may be an important cause of people from S Village becoming sick."[41] Because the migrant worker is usually the main labor propping up the family income, and they have both their elderly and their young family members to take care of, as soon as they lose the ability to work, the loss to their families becomes "a shortage in the most real sense of the word" and they lose the "potential for improving things."[42] It then becomes difficult for them to recover for quite some time.

Recently, following continued anti-poverty efforts, the population of those living in poverty has been dramatically reduced. As this article touches upon above, the population living in absolute poverty constitutes only a small proportion of a community. However, over a decade or two decades ago, though poverty was common, the community functioned relatively well, and those living in poverty were not that marginalized in the community. Today, the widening wealth gap within rural communities causes poor families and their members to become more conspicuous, suffering a worse status and marginalization in their communities. Although rural social security and economic aid systems are currently being built, they remain far from able to satisfy the needs of these poor families, whether in terms of the amount of money provided or the scope covered. These families are unable to share the fruits of migrant labor. As the character of the village is sapped away, and community is no longer functioning efficiently, the negative effects of labor migration are felt most deeply by poor families.

41 "S Village, Jiangxi, Sub-Team Research Material" from the "Qualitative Study on Poverty."

42 "H Village, Gansu, Sub-Team Research Material" from the "Qualitative Study on Poverty."

4 Impacts of Migration on Different Groups

4.1 *Migration and Gender*

4.1.1 Labor Migration Models

According to the most recent statistics, in 2006 31.3% of China's overall male workforce was made up of migrant workers, whilst 18.2% of the overall female workforce was made up of migrant workers.[43] In general, the situation over the years prior to this told much the same story, with the number of males leaving their homes to find work far outdoing that of females. This displays a certain element of continuity to the migration model. There is an element of gendered selection involved in the migration of the rural workforce. This is the collective effect of individuals, families and the market.

Let us take first the individual. In the 30 years before the reforms, as China was putting socialism into practice, "gender equality" became part of official discourse, and most people in rural areas were used to hearing about it. Although the paternal system was not fundamentally changed, gender equality became a dialectical resource for women to use in striving for their rights and interests. Following the Reform and Opening (改革开放), the trends of the West gradually made their way to China. The discourses of individual self-reliance, independence, development and success little by little also became ideas that young people in the countryside felt strongly about, wanting to try them out for themselves. The outgoing labor migration that arose within this context became an opportunity for development for both the individual, and for the family. This article has already noted that many studies have shown "making money" to be first amongst the objectives of rural people going away to work, whilst the secondary objective is "to seek development opportunities" or to "see the world." Especially when it comes to young people who are unmarried, there is a significant proportion of them who leave to find work mainly out of their own volition, rather than being prompted by the needs of their families. Also, to a great extent they will receive the support of their families. In this type of instance, there is not a pronounced difference between genders.[44] However, this kind of situation mostly occurs within those families that are not so poor. This is not the same for those families that are faced up

43 *Di er ci quanguo nongye pucha zhuyao shuju gongbao* (Public report on the main statistics from the second national rural consensus, No. 5), 27 February 2008, (Ch).

44 See Tan Shen "*Jiating celüe haishi geren zizhu? Nongcun Laodongli waichu juece moshi de xingbie fenxi*" (Family strategy or individual autonomy? A gendered analysis of the models for decision making over the out-migration of rural labor) in *Zhejiang Xuekan* (Zhejiang Academic Journal), 2004, Vol. 5 (Ch).

with poverty or have an urgent need for money. For instance, if there is a limit to how many children a family can continue to send to school, as long as the boy keeps moving up to the next grade, this opportunity will always be given to him. The opportunity will only be given to the girl if there is no way for the boy to continue on at school. Another example is that unmarried young women who send money back home commonly do so in order to provide for their brother/s to go to school or to marry, but it is very rare that young men will send money to support their sisters. As such, it might be argued that when there is a relative scarcity of resources, it is likely that females may be more deprived of opportunities.

As soon as the individual gets married and begins family life, marriage presses husband and wife to make necessary adjustments to their individual aims, and shift the center of life to their small new family. These days, in rural China, the result of the business operations in rural households is that power is transferred from the older generation to the younger generation, and family relationships are shifting, so that instead of revolving around father and son, the family is beginning to revolve around husband and wife. As such, the wife has more of a say in the family. In spite of this, the majority of married couples continue to adopt a gendered division of labor by which "the man takes care of things on the outside whilst the woman takes care of the home."

Our study also reveals this division of labor. In terms of the different models for outgoing labor migration, the following types emerged. The first is the "Migrant Working Partners" model, in which before getting married both members of the couple has already been working as migrant workers, and after getting married the wife tends to continue to work away. The second is the "Husband Leads and Wife Follows" model, in which both husband and wife become migrant workers only after they are married. The husband leaves first to get a foot in the door and his wife then follows on afterwards. They may take their children or may not. The third is the "One Partner Stays and One Goes" model. In this model, it is usually the husband who goes away whilst the wife stays to look after things at home. The majority of couples conforming to this type have children and it is not practical to take their children with them. All of these models apply mostly when we are looking at migrant work far away from home. However, there are also some exceptions to these models. For example, after getting married, first the wife may go away, and after she has helped the husband to find work, he will follow on behind, or the wife goes away to work while the husband remains back at home. In J Village, Sichuan, the trend for leaving the village to find work began with people going to the factories in Guangdong Province. At that time, it was all women who were going away. In this way, we see other kinds of exceptions emerging. During the

course of this study, amongst two groups of forty-six married couples, twenty-three couples had gone away together. There were four cases where the wife had gone away to work while the husband remained back at home. This kind of instance often arises when the couple has no other choice. When it comes to seasonal migrant work, the proportion of married women is notably smaller than that of men (this occurs, for example, in Q Village, Inner Mongolia). The researchers believe that maybe because of the seasonal nature of the farming work done by men, they can go away to work, whilst the activities of women, including housework, the rearing of pigs and bringing up children, are not of a seasonal nature.[45] Although there are certain differences between the models outlined above, if we see migrant work as a resource for development, then what all of the models have in common is that the division of labor gives married women a more constricted amount of freedom.

4.1.2 The Different Impacts of Marriage on Male and Female Migrant Workers

Connected to the gendered division of labor and roles in the family, young unmarried girls who are doing migrant work are constantly troubled by a kind of marriage dread. The stronger the self-awareness and the development-mindedness of the young woman are, the deeper the feelings of dread may be. On asking migrant workers in Guangdong (广东) about the problems they faced with dating and marriage, we found that whilst both males and females alike were troubled with the "difficulty of finding someone who understands them," the proportion of female respondents who selected this response (40.9%) was notably higher than that of male respondents (31.3%).[46] When a young person leaves home to find work, whether male or female, his or her ideas about and expectations for marriage are heightened. They hope that by leaving home they will have more options and find a partner with whom they are really satisfied. However, within the model of marriage wherein the man is meant to be in a better position than the woman, the impact of becoming a migrant worker on finding a spouse is very different for the two sexes. A man's self-development and his options for finding a spouse develop in the same direction. The higher he rises, the greater his freedom in finding a spouse. For a woman, this is the opposite. The better her personal development is, the narrower her scope for seeking a partner becomes. This brings the woman inner conflicts. At the time

45 "Q Village, Inner Mongolia, Sub-Team Research Material" from the "Qualitative Study on Poverty."

46 Tan Shen and Zheng Guanghuai "*Wailaigong xuqiu diaocha baogao*" (Research Report on the Demand for Migrant Workers) (Ch).

of conducting these studies in 2002, of those women of twenty-five years of age or older, 10% remained unmarried or had no boyfriends.[47] They found it difficult to find a suitable partner. They didn't have their own family, but they were unwilling to return to their parents' home in the countryside. At the same time, they were unable to settle in the city. Thus, they became a group of lonely floaters.

4.1.3 The Use and Change of Gendered Labor Division by the Market

There have always been two opposing theories about the impact of industrialization, or as we have seen emphasized in recent years, the market, on gender disparity. One theory holds that the market reduces the effect of various ascribed factors, helping to reduce the disparity between men and women in terms of division of labor and allocation. The other theory holds that the differentiation caused by the market division of labor results in the lack of technically skilled work for women and the lowering of the level at which they can find work. The outcome of this is that women in the labor market are further marginalized.[48]

Ma Chunhua (马春华)'s research on labor-exporting areas supports the theory of disparity reduction. She argues that the theoretical core of rural household gender relations is "patriarchy." If we view labor migration as a development resource, then this resource is more often provided by the market, rather than being decided by the household allocation of resources. A further study of a village in the town of Zhu in Sichuan, which has a heavy concentration of outgoing migrant workers, finds that when a great number of rural women leave to find work, this creates a more flexible model of labor division, like the model mentioned above in which the wife goes away to work while the husband remains at home. The wife's income strengthens her right to allocate resources from the family income and assets, creating a new self-assured self-image and social status, and weakening gender bias. In the family and cultural spheres, this is helpful in weakening the production and reproduction of the system of patriarchy, thus becoming instrumental in making family gender relations become more equal.[49]

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47 Tan Shen and Zheng Guanghuai "*Wailaigong xuqiu diaocha baogao*" (Research Report on the Demand for Migrant Workers) (Ch).

48 Jin Yihong, *Fuquan de shiwei: Jiangxi nongcun xiandaihua jincheng zhong de xingbie yanjiu* (Decline of patriarchal authority: a study of gender in the process of modernization in rural Jiangsu), Chengdu, Sichuan People's Publishing House, 2000, 92–93, (Ch).

49 Ma Chunhua, "*Shichanghua he zhongguo nongcun jiating de xingbie guanxi*" (Marketization and gender relations in Chinese rural households) in Jiang Yongping (ed.)

Hundreds of thousands of young female workers from the countryside congregate in the labor destination areas, particularly those newly burgeoning industrial areas. In the 1980s and 1990s during the period of the Wave of Migrant Workers, it was easier for females to find work than it was for males. In this sense, the market provided women with alternative opportunities and resources. But the reality of this alternative was that in the destination areas for rural labor not only did a dual labor market begin to emerge between the "formal" and the "secondary" or the local and non-local people, but a gendered labor market also began to emerge, with specific professions for men and for women. Our research finds that in the labor markets of towns and cities, gender segregation within the labor market for non-locals was more serious than that in the labor market for locals.[50] Non-local females were gathered within labor-intensive jobs that do not require skill, for which the working hours are long and the pay is low. The segregation of local and non-local has already received much criticism as "local interest determinism." Gender segregation is often explained by people in business as "biologically specific determinism," or is believed by some researchers to be human capital determinism. This has not particularly been questioned. It is presumed that a female's physiology makes her more patient and more suited to tedious work over longer periods of time. However, research carried out in the south of China has found that psychological problems, death through overwork and suicide amongst females on the assembly lines due to stress, depression and overwork are no less than those amongst males: it is just that these things are usually blamed upon their own personal issues and forgotten about. The market aim is the maximization of profit, and the real reason behind favoring females for some occupations is that being marginalized in the family economy and in terms of social power, females are more likely than males to accept low pay, they are the cheapest of cheap labor, and it is more difficult for them to undertake organized resistance. Certain weaknesses of females are utilized by capital in order to achieve the maximization of profit.

Shiji zhijiao de zhongguo funü shehui diwei (The social status of Chinese women at the turn of the century), Beijing, Contemporary China Publishing House, (Ch).

50 Tan Shen and Ma Chunhua, *Waichu wugong yu nongcun xingbie guanxi de bianhua* (Outgoing migrant workers and changes in rural gender relations), in All-China Women's Federation Research Team, Jiang Yongping (ed.) *Shehui zhuanxing zhong de zhongguo funü shehui diwei* (The social status of Chinese women during a period of social transformation), chapter 12, Beijing, China Women's Publishing House, 2006, (Ch).

4.1.4 The Wife that Remains Behind

A classic result of the gendered division of labor is that the husband goes away to work while the wife stays and looks after things at home in the countryside. How do women view this kind of division of labor? There were two conversations on this during the women's focus group that formed part of this study:

> Host: Does everyone think that it's a good thing for women to become migrant workers or not?
> Speaker 1: Going away to work is only any good for the youngsters. For people that are as old as us, you can leave to find work but nobody wants you. I spent several years away; it's not easy to make money out there away from home either. You've got to do overtime, and you might work until 2 am but it'll only get you a few hundred *yuan* a month.
> Speaker 4: When you're away from home working you have fixed wages, which is pretty reassuring. . . .
> Speaker 5: It's still best if we can be taught some skills and we can do something at home. When you're away working, your family doesn't get looked after properly, and there's no one to watch the baby.
> Host: In the production teams is there anything different about men and women, what does everyone think?
> Speaker 3: Women are more useful than men now.
> Speaker 5: It's all men that are responsible for things away from home and women that take care of things at home. It's still the same these days too. It's still equal.
> Speaker 3: Our male comrades can stay home too, look after the kids and grow crops, or the female comrades can stay at home, look after the kids and grow crops. It's all pretty much the same. Whoever does those things doesn't really make a difference.
>
> J VILLAGE, SICHUAN PROVINCE WOMEN'S FOCUS GROUP[51]

When a husband and wife are able to get on well, the wife receives respect. In those situations where family life was relatively stable, the women who participated in the focus group saw a gendered division of labor as a family strategy with which they agree. When this prerequisite did not exist, the feelings of the women were very different. In the same village we found the following case:

> Husband XSE: In the early years his family was really poor, but XSE was really bright. He learned some of the techniques involved in growing *mu'er*

51 "J Village, Sichuan, Sub-Team Research Material" from the "Qualitative Study on Poverty."

(a kind of edible fungus). Through incredibly hard work, he managed to build a house and save up a bit of money. But later on he was ripped off by his business partner, who ran off with 84,000 *yuan*, and he was "totally crushed." He "spent 10,000 or 20,000 *yuan* looking everywhere for this guy but never managed to get the money back." He ended up owing a large sum of money and "there were no tears left to be cried." In order to survive and evade the debts, he ended up going all over the place, first working at a mine in Xinjiang (新疆). He also went to the Soviet Union. For a while he did not contact his family, and they thought that he was dead. This went on until he had made some money, and he finally sent money home. After that, "wherever there was work I could do, I'd go there and do it." Now his child has grown up, and his family's economic situation is such that they would be considered to be "moderately prosperous" within his village.

Wife XXS: When carrying her first child, she was "over-tired, had nausea, vomiting and edema." The baby was born deformed, and not long afterwards it passed away. She was totally devastated. She lost her second child through miscarriage, which was also due to the tough situation she was in. Her eldest son was the third child that she had conceived. She recalled her hardship as a mother: "When I was doing the farming work, it was always a case of carrying the baby on my back and working until 3 or 4 am." When her second son was born there was no milk for him; all she could do was "grind up rice flour and add water for him to drink. My baby was in such a sorry state, going hungry for a long time. He didn't have a decent intake of nutrition and suffered from severe anemia. We took him to hospital, and the doctor was going on about giving him a blood transfusion, but we didn't have the money to use the hospital's blood, and all we could do was take our own blood. My husband said we should use his, but my thinking was that he's a man, he's the only worker our family's got, and he has to go out there every day to get on with his work. Taking blood is bound to have an impact on his body, and that might mean an end to this one way that we manage to get by. Although it's tiring for me at home too, it's much better for me, so I made them take my blood." During the several years in which her husband had been away to avoid things without a trace, she went through a very hard life: "Over that period I didn't hear a peep from my husband; that was the toughest time. We had debts all over the place, my baby was sick and I still had to get on with the farm work. I didn't even have anyone there to give me a bit of comfort." "I was even thinking that I wanted to divorce him," said she.

> During a chat between the interviewer and both husband and wife, when this period in their lives came up, XSE exclaimed: "My life has still been worth it though." To his words, XXS immediately responded: "Mine hasn't been worth it."
>
> VILLAGE J, SICHUAN PROVINCE, XSE AND XXS *Life History*[52]

Both husband and wife experienced great difficulties during this period. Yet for the man, even though he may be presented with many risks out there, as long as the result of his working away is alright, he is able to foster a certain sense of achievement. However, where the woman is concerned, all that remains with her from the great hardships she has faced are scars. As the family's situation improved, she was thought of as only having played a supporting role. Her greatest hope was placed in the child, with no status herself as a woman and an individual.

4.2 *The Impact of the Migration of Parents upon their Children*

Labor migration has an enormous impact upon children who have not yet come of age. Those children who go with their parents are referred to as migrant children (流动儿童), whilst those who stay behind in the countryside when one or both parent goes away to work are called left-behind children (留守儿童).

Social concern was first focused upon those migrant children who entered the cities. Amongst these concerns, those relating systemic issues highlight compulsory education and immunization, while other concerns involve the acclimatization of migrant children to urban living, discrimination by locals from destination areas and so on. A focal point of criticism is the social exclusion of migrant children by the current institutions, as well as the policies and culture of the labor destination areas, which are shaped by the previous dualistic urban-rural system.

With almost ten years of hard work, the policy environment for migrant children has seen somewhat significant improvement. The 2001–2010 Chinese Children Development Program (2001–2010 中国儿童发展纲要) issued in 2001 involved policies relevant to migrant children. In the field of children and health, it proposes the target of "gradual improvements in the coverage of child health protection and for children from the migrant population." In the area of children and education, it proposes the target of "children from within the migrant population being able to receive nine years of compulsory education." In 2003, the General Office of the State Council (国务院办公厅) issued the Suggestions for the Improvement of Work on Employment for

52 "J Village, Sichuan, Sub-Team Research Material" from the "Qualitative Study on Poverty."

Migrant Workers and Compulsory Education for Rural Children (关于进一步做好进城务工就业农民子女义务教育工作的意见), composed by a committee comprising six ministries including the Ministry of Education. This went further in emphasizing the policy of "two main priorities" (priority given to management by the local government in labor destination areas; priority given to a full-time public system of education for middle and primary school education) proposed in 2001, and incorporated compulsory education for migrant children into the local planning and budgeting of the labor destination area. Through the revisions to the Compulsory Education Law (义务教育法) passed by the 2006 Standing Committee of the National People's Congress (全国人大常委会) and the new Law on the Protection of Minors (未成年人保护法), it is set out in law that the conditions for compulsory education are to be provided by the local government at a child's place of residence, and that this will no longer be subject to fees. At the same time, both the education and health administrations, as well as the administrative authorities of some major labor destination areas, formulated specific measures for putting this into operation.[53]

The improvement of legislation and policy in turn brought about improvements in the conditions of compulsory education for migrant children. First, there were schools for them to go to, and second, it reduced the burden of costs for parents. However, in practice, there have remained many problems that await solution. An example of this is the current University Entrance Exam (高考) system, according to which migrant children are able to study in the area they have moved to, but they must return to the place to which their household registration is attached in order to sit the entrance exam. As such, there are many discrepancies in this system, and unreasonable situations arise. Another example is that whilst public schools do not charge fees, in reality there are many instances of all sorts of different costs being leveraged under different guises.

In terms of preventive vaccines and immunization, there is significant difference between different labor destinations. According to official data from Beijing, the proportion of migrant children that have received vaccinations is over 85%.[54]

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53 Wu Xiaoying, *Liudong/liushou ertong xiangguan zhengce shuli* (Policy related to migrant/left-behind children) part of the output of the "*Nongminggong liudong dui ertong de yingxiang*" (The impact of migrant worker migration on children) research team, 2008, (Ch).

54 Zheng Lingqiao and Bai Ying, "*Beijing tigong gao shuiping gonggong weisheng fuwu*" (Beijing provides a high standard of public health services) in *Zhongguo shequ yishi* (*zongheban*) (Chinese community doctors [full edition]), 2007, No. 8, (Ch).

Other areas currently remain at the stage of undertaking Care Drives (关爱活动), and are yet to form a structure for carrying out this immunization.

In the last three or four years, the focal point of social concern has shifted to left-behind children. According to the latest census, it can be inferred that in 2005 there was a total of approximately 20 million migrant children who accompanied their parents as they went away to work. There is not a great difference between this figure and the figure five years earlier. However, the total number of those left-behind children in the countryside when one or both parents went away to work was 58 million, which was over double the figure five years earlier.[55] The huge disparity between these two figures shows that even though in recent years the urban social environment has seen some improvement, migrant workers still choose to leave their children behind. This is consistent with our study.

An informal discussion with village cadres and villagers of J Village in Sichuan revealed that of all those families in their village who leave to find work, only around 10% take their children with them. Combined with research from the corresponding destination area, H Town in Guangdong Province, we will divide migrant workers' families into three categories. The first is the "type that is free to come and go." As this type of family has a degree of economic capacity, the current and future arrangements for their children are, for the most part, not subject to policy and structural limitations, but rather are determined by the parents or the child himself/herself. However, this type of family accounts for only a tiny proportion of migrant families. According to our study of rural communities at the destination town, this type does not even constitute 1% of migrant families. The second category is the "type that moves between two perches," which does have a certain amount of economic capacity, but the roots of which are still in the countryside. The children of these families may, for a certain amount of the time, stay and study at the place where their parents are working and become "migrant children." They are clearly constrained by or benefit from the education system at the area where their parents are working. The third category is the "left behind to work away

55 *Quanguo fulian zhaokai weichengnianren jiating jiaoyu he nongcun liushou ertong zhuangkuang diaocha fabuhui* (All-China Federation of Women conference on a study of household education of children and adolescents and rural left-behind children) [online] china.com, available at http://www.china.com.cn/zhibo/2008-02/27/content_10180165.htm?show=t [visited 8 September 2009] (Ch). I would question this figure, but its reflection on this trend is reliable. In other words, due to the excessively high cost of living in the city and the system of education, migrant workers are forced to leave their children in the countryside.

type." For them, working away has improved the lives of their family, enabling them to maintain an average standard of living for a rural family and the basic functions of a family. However, due to economic constraints, the parents are unable to take the children with them to the location where they are working to live for the longer term or to go to school, the majority choose to leave their children back at home in the countryside. The term left-behind children, more often than not refers to these children. As the numbers above shows, this type of family and its children form the vast majority.

As such we believe that the children of migrant workers from poor areas, for the most part, belong to the group of left-behind children. This means that the policies of both the state and the destination cities on children could not benefit them, since their parents are unable to bring them to the cities to live with them and study there.

Recent research on these left-behind children as well as the social concern have both focused on the various problems caused by the separation of the children from their parents, including for example, the loneliness suffered by children and a lack of family values. Some put all of the problems that befall this group down to separation from their parents. Some of the care measures and policies place strong emphasis on creating the conditions or proposing the creation of conditions for these left-behind children, so that they can go to the town or city to be reunited with their parents. Emphasis is also put on methods of intervention, such as substitute guardians (for instance, stand-in guardians and child-care centers). The study in which I participated took as its point of entry the fundamental rights and interests of children and prompts new thinking.

First, the problems pointed out in some studies, such as safety, study-weariness and misbehavior, are not specific to left-behind children. They are common for rural children. For example, the problem of transport safety is related to the recent merging and closure of primary schools in the countryside, which implies that the children have no other choice but have to travel long distance to get to school. The problem of study-weariness has no direct relationship to whether or not their parents are at home. Obviously, the two problems are related to the policies on rural education.

Then, there is the problem of guardianship for left-behind children. The best environment for them is still the family. Though the children are not living with both parents, they are still living amongst families and relatives. In this sense, there are defects in the different methods of substitute guardianship, for it is very difficult to substitute the parent-child relationship, and then the substitute guardianship is not something that can be widely implemented.

Third, whilst the intention behind creating the conditions necessary for children to move to towns and cities to live with their parents is absolutely

right, this is not something that can be achieved through a couple of policies. As we have seen above, many children are left behind because their parents are unable to shoulder the costs of living in the city for the whole family. This relates to urban residential systems and even urban planning, the latter involving whether migrant workers are to be incorporated into urban development strategies as essential members of that urban society. Further, this is also linked to migrant workers' low pay or the unfair allocation of income. In sum, this is an issue that we must face: the responsibilities are heavy and the road to making real changes is long.

4.3 *The Impact of the Migration of Grown-up Offspring on their Elderly Parents*

When younger family members go away to work, those back at home are able to share in the fruits of that labor. As this article has mentioned, this can improve their living standards. However, it can also give rise to tensions and problematic consequences.

When their grown-up children go away to work, not only do elderly parents have to help them with the cultivation of their land, but often they are also expected to take care of their grandchildren. Some elderly people have to look after the offspring of several adult children, and their burden is a heavy one. Also, since the number of children that a couple can have has been reduced by policies on family planning, these elderly people feel even greater pressure and responsibility in taking care of their grandchildren. One elderly person in X Village, Jiangxi Province told the researcher that one early evening in October 2005, their grandson suddenly became ill. The parents of the child were working away, and the elderly couple did not dare to wait around, so that night they piggybacked the child all the way to the hospital. Both of them were getting on in age and the journey to the hospital was all mountain paths, so it was not until the next morning that they managed to return home. They said, "We were as shattered as a pair of packhorses."[56]

This article has already mentioned the phenomenon of vacuity in the village when a large number of young people go away to find work. The older generation that remain in the village are the ones who are deeply affected by this. Aside from being lonely, they also entertain a deep-seated fear that their sons and daughters that have gone away to work will not come back.

In Z Village, Sichuan, we made multiple visits to a family of elderly people who had been left behind. Both of the two sons belonging to this family had

56 "X Village, Jiangxi, Sub-Team Research Material" from the "Qualitative Study on Poverty."

found wives not from the local area. The eldest son had moved to the place his wife was from, and the elderly couple were "so angry they were almost at the point of losing it." Soon, their second son also found himself a wife who was not from their local area and let on that he was thinking about leaving. The elderly couple was broken-hearted. Seven years later when we paid another visit to this family, the second son had already brought his wife and child back with him and moved their household registration to their home in Sichuan. He had also just helped his parents to build a new house. This means that ultimately the son was to return home. Now, though the elderly couple had four grandchildren to look after whereas seven years ago when we last met they had two, they appeared to be much healthier and in much better spirits than they did during our last visit. And now, they also complained very little about how tired out they were for taking care of their grandchildren.

When it comes to the children that are left behind, although the elderly people have great pressure in looking after their grandchildren, still they are unwilling to let them leave their side. They also long for their own children to come back, but they know this is not realistic. The elderly are tangled in this conflicting state of mind, but practically they are left without any choice in the matter. At the same time, since the income from migrant work is becoming more and more central as the main source of income in the countryside, those elderly people who are no longer able to go away to work are gradually becoming marginalized. Their power within the family clearly begins to slip away and they lose their authority. Many things are taken over by their children's generation. All that these elderly people are left able to do is help their children to look after certain specific tasks at home, such as working the land and caring for their grandchildren. The marginalization of elderly people is also manifested in their participation in community affairs. As we saw earlier in the case of the cadre from J Village in Sichuan, who said that "the elderly people that are left behind are unable to make decisions" in community affairs, the opinions of the elderly members of the community hold no weight, and actually the current system of community administration excludes the elderly from participating. Even when it comes to their role of guardians for their left-behind grandchildren, there are also criticisms of the elderly generation, and their guardianship is considered unbeneficial for the children.

In recent years, some areas have witnessed the springing up of Elderly Associations (老年协会), encouraged by local governments. Is this a way for elderly people to participate in society? Although I have not made specific investigations into this, according to the observations made in the research that forms the basis of this study, these organizations mainly function as

places for leisure and entertainment. No doubt, they are good for the physical and psychological well-being of elderly people, but they cannot change their marginalized position in the family and the community.

However, marginalization and "being abandoned" are two very different issues. Our research shows that rural traditional ethics do still exist, largely owing to the conscience of individuals and the monitoring of the community through public opinion. In the above instance, when the second son of the elderly couple explained why it was important to build a new house (prior to this, the elderly couple had built houses for both of their two sons), he said that "it was mainly about what the old couple want." However, this kind of tradition is gradually becoming diluted. What this change means for the rural community and rural families remains to be observed.

5 The Significance of Migration for Poverty and Poverty Alleviation

By looking at two levels—the family and the community—as well as different groups, specifically women, children and the elderly, this article has analyzed how migration has different effects at various levels and on particular groups, and also looked at its impact upon poverty and inequality. Through this analysis we can see that for all the five subjects, the migration of workers from the countryside has both positive and negative effects. Its positive effects are mainly economic and developmental, for instance a huge reduction in absolute poverty, and the widespread improvement of living standards. Its negative effects are dispersed, mostly reflected in those aspects that are not directly related to economic or development issues. Examples of this are the weakening of unity in the community, an inundation of utilitarian values and so on. The extent of these positive or negative effects varies with areas, communities, families and individuals. For example, the change in power relations within the family is a positive thing for young people, but it is a negative thing for elderly people.

In general, during its early period, migration was useful in breaking down the barriers between the urban and the rural, and in getting rid of inequalities in identity under the old system. However, as migration has continued, not only have inequalities failed to disappear, but they have actually grown. It should be noted that whilst this article analyses poverty and inequality from the perspective of migration, clearly migration is only one of the factors that cause growing inequality. It is even just an intermediary factor, through which other factors have aggravated inequality. The poverty of migrant workers in the city is a classic case in point. Another example would be the educational

gap between urban and rural children, which results from the latter's study-weariness and dropping-out-of-school. It is often thought that the cause of this study-weariness and dropping-out-of-school is related to migrant work, which tends to arouse an eagerness for seeking instant benefits. Actually, the influx of utilitarian values has already become a common social problem, and in cases where rural children are unable to see any other choice, going away to find work is simply a way out for them.

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