

# Precarization or Empowerment? Reflections on Recent Labor Unrest in China

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*Labor scholars have highlighted the predicament of “precarization” besetting the working class everywhere in the 21<sup>st</sup> Century. Beneath the “proletariat” now stands the “precariat”, for whom exploitation seems like a privilege compared to constant exclusion from the labor market. Amidst world-wide employment informalization and decimation of workers’ collective capacity, media reports and academic writings on Chinese workers in the past several years have singularly sustained a curious discourse of worker empowerment. Strikes in some foreign invested factories have inspired claims of rising working class power. Finding little empirical support for the empowerment thesis, this paper spotlights the Chinese peculiarity of the global phenomenon of precarization and the dynamics of recent strikes, suggesting the need for Chinese labor studies to rebalance its prevailing voluntarism and optimism with more attention to institutional and political economic conditions.*

In the past decade, the term “precariat” has gained wide currency among academics and public intellectuals of both the left and the right in the English-speaking world. From Noam Chomsky to David Brooks, from the *New Left Review* to the *Financial Times*, from “EuroMayDay” street protests in Europe to the “Precarious Europe” media project on the internet, “the precariat” has emerged as the new working class subject of this century, much like “the proletariat” had for the previous two. The precariat faces the challenge of precarization — habituation to expecting and living a life of unstable and unregulated labor (Standing 2011), oscillating between

exploitation and exclusion by capital. Lively academic debates on this subject, while concurring on the ubiquity of employment informalization and organized labor's secular decline worldwide, have centered on: whether labor precariousness is a historically new condition or merely the spread of a Global South condition to the Global North; whether the concept of "the precariat" falsely universalizes the historically specific meanings and diverse modes of precarity; and whether it is a useful rallying point for progressive politics (Bremner 2013; Munck 2013).

Against the discourse and reality of precarization, large-scale strikes in prominent foreign-owned manufacturers in China have sparked an alternative narrative of worker empowerment. Reporting on the Honda strikes in spring 2010, the *New York Times* announced that "An Independent Labor Movement Stirs in China" while *Reuters* splashed an equally optimistic headline "China Strike Illustrates Shift in Labor Landscape" when reporting a wild cat strike at an IBM factory in March 2014. The *Financial Times* likewise intimated a qualitative change or "crossing the line" in Chinese labor activism in an article highlighting the demographic and technological reasons for the gathering strength of workers. "The potential for unrest is only increasing. Chinese employees have been emboldened by demographic trends that are creating labor shortages – especially for skilled positions – and tilting negotiating power decisively in their favor... Technology is also making a difference. The proliferation of smartphones and workers' use of social media services ... is making it easier to mobilize protests."<sup>1</sup>

Labor scholars have orchestrated a parallel empowerment thesis which can be disaggregated into the following claims. First, quite a few scholars remarked on workers' increased mobilization and activism, most without offering empirical evidence of the purported increase. For instance, the author of a newly published book on workers in China's automobile factories

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<sup>1</sup> A good summary of these arguments in the media can be found in Tom Mitchell and Demetri Sevastopulo, "China Labor Activism: Crossing the Line," *The Financial Times*, May 7, 2014.

made repeated assertions of “growing resistance”, “growing grievances” and “gradual radicalization” among the young generation of workers, even though the book offers no comparative empirical evidence to establish these trends (Zhang 2015). One exception is Mary Gallagher (2014: 87) who cited strikes statistics collected by the China Labor Bulletin which reported that “in 2011, an average of sixteen strikes per month occurred. That number increased to thirty-two strikes per month in 2012. In the first four months of 2013, CLB reports fifty strikes per month on average.” Presenting a typical upbeat view, she wrote, “the increased mobilization and activism of Chinese workers, the growing awareness of their legal rights, and their solidified confidence in pressing for those rights were all positive trends.” (ibid: 83). This growing rights awareness is considered a trait of the second generation migrant workers, the second claim of the empowerment thesis. The second generation migrants are said to be *more* class and rights conscious than the first, more daring and willing to mobilize, partly due to their social media and technology savvy (Zhang 2015: 149), but also simply because of their subjective experience of anger, pain and exclusion (Pun and Lu 2010). Third, in addition to the volume of activism, some have observed a maturation and radicalization of labor activism in that worker demands have changed from defensive to offensive, from purely economic to political (e.g. demanding union elections), from rights-based to interest-based struggles, and from legalistic to transgressive, extra-legal action repertoire (Chen and Tang 2013; Leung and Pun 2009). Fourth, consistent rise in wages in the past decade is taken as evidence of workers effectiveness and empowerment. Leung and So (2012) argued most explicitly along this line: “South China migrant workers must feel empowered in 2010, as they saw (1) a dramatic increase in wages after they go on strike, (2) a large increase in the minimum wages in many South China cities after the strike wave occurred, (3) the Honda workers were allowed to form an independent trade union which was democratically elected by the strikers, and (4) many

factory subcontractors are forced to pay back wages, deposits, and unreasonable fines to the workers after they lost in legal disputes.”

In this paper, I contest this empowerment story which, for all its political correctness and emotional appeal, does not stand up to empirical scrutiny. Rather, Chinese workers are confronting the global tendency of precarization, but with Chinese characteristics, just as Indian workers, Japanese workers and South African workers confront theirs in specific institutional and political economic contexts. In the following discussion, I will first depict the aggregate picture of the prevalence of precarious work against a series of labor legislations aimed at mitigating precarization. The limited effectiveness of these legislations point to the first characteristic of precarious labor in China: authoritarian precarization. Next, I turn to the second characteristics of Chinese labor precarization: the intimate link between labor precarity and land dispossession currently raging the countryside. Third, and against these two structural conditions, I will use ethnographic data on recent strikes, survey findings about the second-generation migrant workforce and tendencies in the labor market to show that the empowerment argument is grounded in a false optimism the defies existing empirical evidence. Not only has there been little mitigation in the institutional and political economic subordination of Chinese workers, available data did not show any significant change in their mobilization pattern, collective capacity and subjectivities. Workers’ class consciousness and willingness to fight for their rights and interests are nothing new and certainly did not begin with the second generation migrants. Any cursory retrospective of the past thirty years will see that worker activism (by the first generation of migrant workers and veteran state sector workers) has overtime created pressure on the state to improve their lot – from establishment of minimum wage regulations, state provision of minimum livelihood guarantees, to the promulgation of various labor laws (Lee 2007, Solinger 2009). But such increases in monetary

returns and in labor legislations should not be confounded with worker empowerment, viz. towards security of employment, right to free association, control over the labor process and institutional bargaining power with employers. Rejecting a voluntarist and subjectivist approach to analyzing China's labor politics, I conclude by pointing to several political economic conditions that must be changed in order to bring about meaningful and durable transformation in labor politics.

### *What is the extent of precarious / informal employment?*<sup>2</sup>

The “smashing of the iron rice bowls” (i.e. abolition of permanent employment with welfare provisions) during China's transition from state socialism and the planned economy to a market-driven capitalist economy has been well documented. After three decades of economic and legal reforms, informal employment has become a new normal for the Chinese work force. Economists have used two measurements of “informality” to gauge its extent in China. The first is about *legality* – whether or not an employee has a written labor contract; and the second is about *vulnerability* – whether or not the employer provides at least one of the three types of social insurance that is legally required: pensions, health insurance and unemployment benefits. According to the 2005 mini-census, 50% of workers with urban residency and 69% of rural migrants lacked contracts. A more recent six-city survey in 2010 shows improvement in terms of obtaining contract: 26.3% of local resident workers 49% of migrant workers lacked labor contract. In terms of vulnerability, 16.2% of local residents and 60.6% of migrant workers lacked any social insurance coverage in 2010. Given that the migrant workforce (250 million) accounts for 72% of China's urban workforce (347 million), the data suggest informality is a fact of life for the majority of Chinese workers. Younger workers (16-26 years of age) are disproportionately more prone to informality – 31.6% among local resident workers and 72.9%

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<sup>2</sup> I am using the terms “precarious” and “informal” interchangeably in this discussion.

among migrant workers in this age cohort hold informal jobs, using either one of these criteria. (Park et al., 2012). Finally, informal employees' earnings were only 67% that of formal employees, a wage gap that has been found to explain more than half of the overall personal income inequality in urban China (Xue et al., 2014).

### ***Labor Rule by Law: Authoritarian Precarization***

The sheer extent of informality is of course astonishing, but even more so if we consider that it has been twenty years since the National Labor Law took effect in 1995. China's first ever national labor law stipulates exactly the requirement of written contracts and social insurance contributions for all employees (regardless of residency status) in all types of enterprises and sectors, among other labor standards (such as working hours, overtime, holiday pay, and severance compensations, etc.) Also, more specific laws have been passed in 2007 on labor contract, labor dispute mediation and arbitration, employment promotion and anti-discrimination, with periodic updates and revisions since. The legal apparatus for labor protection sets such a high standard that according to an OECD report on employment protection, China in 2008 ranked second in employment protection across ten major developing economies and exceeded the OECD average substantially. In protection against collective and individual dismissal, China outranked all other countries in the OECD report, which includes all members of the OECD and several major developing economies including Brazil, Russia, India and South Africa (Gallagher et al., 2013). Why has such stringent state-initiated labor code failed so spectacularly in a country known for top-down authoritarian rule?

First, labor law implementation is always subject to changing economic and political priorities of the state. Rather than submitting itself to the rule of law, the Chinese state, both central and local, uses law as an opportunistic instrument to achieve policy and political goals. This means

that sometimes, some labor laws are enforced if they are in the interest of the government at various levels of the political system. A pre-eminent example of China's practice of rule by law can be found in its implementation of the Labor Contract Law (2008). This piece of legislation was intended to formalize employment relations, reduce labor conflict and social inequality, issues that have become de-stabilizing to the regime since the early 2000s. This law, in addition to mandatory contract for all workers, most significantly requires that workers be given a "non-fixed term" contract after two successive "fixed term" contracts or after being employed for 10 years by the same employer. When this law went into effect at the beginning of 2008, the local governments in Guangdong Province at first saw it as a tool to achieve the goal of industrial upgrading – removing low-wage, low-skill, sweatshop like export processing factories and inviting high-tech, high-wage, environmental friendly manufacturing. So when workers pressed their demands for the various compensations stipulated by the new law, local labor bureaus and courts were supportive of their claims leading to the collapse of a number of financially weak, low-tech factories. However, later that year, when the 2008 global financial crisis reached Guangdong, local officials realized they had to change course to protect employers, otherwise the local economy, which had become entirely dependent on export factories would be ruined. Grassroots level labor dispute arbitration committees were told not to support workers' claims and judges were ordered not to handle workers' lawsuits (Lee and Zhang 2013). This arbitrariness and selectivity in law enforcement is a major reason for the failure of law to protect workers.

Second, the ineffectiveness of Chinese labor law in stemming the tide of informalization is fundamentally due to the extreme imbalance of class power. Placing strict limits on workers' collective and autonomous organization, labor laws only allow for worker's individualized legal mobilizations, while the state uses these as a "fire alarm" mechanism that alerts local

government to particularistic and particularly egregious labor violations (Gallagher 2014). When the volume of labor disputes point towards certain serious abuses by the employers, the Central Government would resort to another round of legislation requiring more stringent labor protection, triggering new responses by employers to bypass new legal constraints on their use of labor. In this process, both the state and the employer have common interest in preempting workers from developing sustainable organization capacity. Without legal power to independent collective organizing and bargaining, and subject to the state's wavering commitment to implement labor laws, workers' legal mobilization are too atomized to counter the alliance between local state and capital.

However, we should not overstate the permanence of this alliance which may be one important source of longer-term change for labor politics. The promulgation of stringent labor laws, despite the strong state-capital alliance at the local levels, suggests that the Chinese state at the center does not have homogeneous interest with regard to workers. The All-China Federation of Trade Unions (ACFTU), the strongest advocate for labor rights at the National People's Congress, was instrumental in pushing through the Labor Contract Law in 2008 and its revision in 2012. Yet, at the implementation stage, other state interests may prevail. For instance, even as the Labor Contract Law targets particularly the phenomenon of labor subcontracting, the Chinese state itself is a leading user of labor subcontracting. Some 16% of employees in state owned enterprises, quasi-government organizations such as hospitals and universities are dispatched workers. Up to 70% of the workforces at Sinopec and China Telecom, two central state-owned conglomerates, are dispatch workers according to an academic teaching at the ACFTU's Institute of Industrial Relations (Roberts 2012).

The shifting and heterogeneous interests within the Chinese state toward labor rights therefore suggests a double-edged sword. The fragmented authoritarian configuration of state power is a



source of persistent subordination of labor but also of possible, however remote, institutional transformation. The pro-labor and reformist elements within the Chinese state are potential sources of leverage for bottom up worker agitations. In a way, the promulgation of one labor law after another in the past two decades, coinciding with many labor protests and strikes, could be attributed to this inadvertent and invisible alliance, whose effects may be further amplified at moments of economic or political crisis. Already, we have seen in recent years, as the center emphasizes the priority of stability maintenance, grassroots officials' response to worker unrest has clearly been more cautious and even handed. This shift is not due to worker activism or new consciousness, as these were never in shortage, but to top-down imposition of the task of stability maintenance. In any case, cracks from within the state and the state-capital alliance deserve much more attention among labor scholars as political and institutional disempowerment, and emphatically not lack of consciousness and activism, is the reason for labor precarization in China.

### ***Precarization of Labor through Land Dispossession***

Most of China's 250 million migrant workers are rural residents who have moved outside the area of their home registration to work in urban areas. Lacking urban residential status, migrant workers enjoy inferior entitlements and rights (e.g. children's education, terms of pension scheme, hospital charges, etc). Until economic reform took off, this two-tier citizenship hierarchy, with origins in the 1950s and enforced by a locality-based ration system, allowed the state to control the physical and social mobility of the population, and guaranteed the transfer of rural surplus to urban industrialization. Since the collapse of the communes in the late 70s, the restrictions on mobility have been gradually lifted to provide an enormous pool of cheap labor for domestic and foreign capital. The cornerstone of this migrant labor system is the collective land ownership arrangement in the villages where migrant workers originate. By law,

every rural resident is entitled to a plot of land in her native village, owned and allocated by the village collective to which she is a member by birth, and farmed by family members who remain in the village. Up until the turn of the new millennium, this family economy, while dependent on migrant workers' wage income for agricultural inputs, has absorbed the cost of the social reproduction of labor – schooling, health care, marriage, child-birth, permanent housing, subsistence during unemployment and retirement – that would otherwise have to been borne by employers or the Government. Rural land ownership also helps dissipate migrant workers' collective capacity in cities, as many return to the countryside in times of economic hardship, unable or unwilling to sustain the long process of legal battles or extra-legal protests in cities (Lee 2007).

Since the 1990s, marketization of land use right and the formal preservation of collective ownership have together created a perfect storm, leading to a forceful wave of *de jure* or *de facto* land dispossession, depriving migrant workers of their most important means of long term security. As Andreas and Zhan (2014: 20) argue trenchantly, “On the one hand, the marketization of use rights has accomplished what privatization might have: the elimination of restrictions on the mortgaging, selling, and leasing of use rights effectively allows families to permanently give up their access to land. On the other hand, the formal preservation of collective ownership allows local cadres to continue to act as agents of dispossession.” Survey data have established the prevalence of land dispossession. Land grabs, or compulsory state requisition of collective farm land with or without due compensation, have happened in 43% of the 1,791 villages sampled in a multi-year 17-province survey (Landesa 2012). Displaced peasants (whose land has been taken) numbered about 52 million between 1987 and 2010 and land conflicts are said to account for 65% of the mass incidents in 2010 (Ong 2014). Local governments (municipal and county levels) have the monopoly over transferring agricultural

land to state ownership before land use rights are leased to private developers. Since land related revenues remain at the local level rather than being remitted to the central government, land requisition has become a major source of local government revenue, accounting for some 70% of their extra-budgetary revenues (Zhou 2007). Typically, the compensation paid to affected farmers (average \$17,850 per acre) amounts to just a fraction of the mean price authorities received for leasing the land (average \$740,000 per acre for commercial projects) (Landesa 2012). Only a quarter of these landless peasants have their household registration status converted to urban residents. And many are now relocated in “concentrated villages” or high-rise buildings in peri-urban areas.

Theoretically, dispossessed farmers should be entitled to social insurance, medical insurance and minimum livelihood guarantee (*dibao*). Yet, in practice, the levels of these provisions are too low to function as protection. Take the example of *dibao*. This is a means-tested cash transfer program that was put in place in the late 1990s in response to the large number of labor protests in the wake of massive retrenchment (Solinger 2009: 173). Yet, like the case in many Latin American countries (Lavinas 2013), the level of allowance remains extremely low: at most 24% and currently at 16% of average local income, compared to the ratio of 50-60% in the European Union and 33% in the US (Tang and Xiu 2011). Same with pension in rural areas: whereas the average monthly pension for an urban retiree in 2011 was 1,511 RMB (about \$240), the minimum for rural retirees is a mere 55RMB (or less than \$10) which was below the national average for rural minimum income support of 82 RMB (Frazier 2014).

The second form of land rights precarization does not involve expropriation of land but long term leasing of collective land to agribusiness corporations, foreign and domestic. This usually happens in provinces and localities far away from major cities, and therefore with low demand for commercial land use. In the name of achieving scale economy and efficiency, leasing to big

bosses or big farmer-initiated “cooperatives” has happened in 32.6% of the villages surveyed by Landesa, leading to the formation of large, continuous tract of land. In rural Heilongjiang, China’s leading agricultural province, forming “big agribusiness cooperatives” has become a government priority since 2007. Farmers contract their family plots to the cooperatives in return for an agreed amount of monthly income for renewable 1-5 year periods. In the second largest municipality of the province, to date, 80% of farmers have joined cooperatives, covering 83% of farm land. The municipal government’s plan is to achieve 100% cooperative membership in two years.<sup>3</sup> After leasing their land to the cooperatives, a minority of farmers become hired hands for the cooperatives while most working-age farmers leave the countryside all together. They become migrant workers or settle down in smaller townships and cities with the whole families once they can afford to buy their own homes. Beyond Heilongjiang, the penetration by agrarian capital (both domestic and multinationals such as Nestle and Yum!) in Shandong and Yunnan provinces has triggered a similar “de-peasantization” process, turning subsistence farmers into contract farmers, semi-proletarian and proletarian farm workers (Zhang and Donaldson 2010; Zhang 2015). The rise of large scale agribusiness contract farming means the de facto confiscation of land use rights as a form of social security. From now on, farmers’ livelihood is totally dependent on waged employment or corporate profits. The latest push for farmers to get off the land and move to the cities comes from Beijing’s recently announced “National New-type Urbanization Plan”, which aims to elevate China’s urbanization rate from the current 54% to 60% of the population by 2020.<sup>4</sup> The rationale is simple: to boost domestic demand and increase consumption. Even though some economists have criticized this logic as flawed – usually development leads to urbanization, not the other way around – in the calculation of Primer Li Keqiang, “every rural resident who becomes an

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<sup>3</sup> Author’s fieldwork in Qiqihar, December 2013.

<sup>4</sup> [http://news.xinhuanet.com/english/china/2014-03/16/c\\_133190495.htm](http://news.xinhuanet.com/english/china/2014-03/16/c_133190495.htm)

urban dweller will increase consumption by more than 10,000 yuan (US\$1,587)... there remains a massive untapped labor pool in the villages, leaving great potential for domestic demand as a result of urbanization.”<sup>5</sup> While it is still not clear how the increase demands for infrastructure and social services following this ambitious state-led urbanization scheme will be funded, it is certain that more rural residents would be moved off their land.

One recent ethnographic study depicts the grim reality for migrant workers after their land was dispossessed. In Sichuan, one of the largest labor-sending provinces in China, they became the most undesirable workers for labor brokers in the construction business. Since labor brokers have to underwrite the cost of transportation and living during workers’ employment period and laborers must survive until the end of the year for wages to be paid, landless workers are seen as too precarious for this precarious occupation. “Without land, brokers and laborers face new financial pressure. Brokers must shift recruitment to other sites where laborers hold land and are better able to withstand precarious employment.” (Chuang 2015). In short, China’s landless migrant workers find themselves in an emerging underclass position that is even more precarious than the conventional landholding migrant workers.

### ***False Optimism: Labor Shortage, Second Generation Migrants and Strikes***

Against the backdrop of these two institutional factors perpetuating precarization, let us examine in detail the major claims in recent studies of Chinese labor that, for the sake of convenience, can be grouped under the rubric “empowerment thesis”. First, has there really been an increase in strikes and worker protests? Most authors arguing for worker empowerment merely assert a rising trend without showing any trend data. Granted that strike data are difficult to come by, impression is still not an acceptable substitute. Even though the

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<sup>5</sup> [http://www.china.org.cn/china/2013-05/26/content\\_28934485.htm](http://www.china.org.cn/china/2013-05/26/content_28934485.htm).

China Labor Bulletin statistics cited by Mary Gallagher (2014: 87) showed escalating national totals (192 in 2011, 384 in 2012 and 200 in the first four months of 2013) in strikes, these numbers are actually quite small compared to those Ching Kwan Lee found in one city (Shenzhen) fifteen years ago. “Shenzhen City Labor Bureau statistics reported that officially handled ‘spontaneous incidents’, meaning large-scale collective protests and petitions, totaled 556, 540 and 682 for 1998, 1999 and 2000” (2007: 163). Going further back in time, and if statistics reported by the dissent press in Hong Kong was to be used, the Chinese Public Security recorded “a national total of 480 strikes in 1992, 1,870 in 1995, and 1,740 in the first nine months of 1996” (Lee 2003: 78). Juxtaposing these various sets of figures suggests that compared with the 1990s, the current period actually witnesses a decline, not rise, in strikes. Labor scholars would do well to go beyond the headlines and the short time frame adopted by even the most serious news establishments.

Second, a seemingly compelling argument has been made about labor shortage leading to worker empowerment. In 2012, China’s labor force dropped by 3.45 million, marking the first absolute decrease in the labor force since the 1970s. Yet, while some Chinese demographers predict that it will decrease by 29 million over the current decade<sup>6</sup>, others do not see any exhaustion of surplus labor for another decade (Das and N’Diaye 2013). For now, assuming the disappearance of “demographic dividend” is looming in the horizon, does it mean greater marketplace bargaining power for workers and the “winding down of China’s development model” predicated on surplus and cheap migrant labor (Gallagher 2014: 83)?

Labor shortage can indeed augment workers’ marketplace bargaining power but this factor has to be evaluated alongside countervailing labor market tendencies that exist simultaneously to undermine workers’ associational and workplace bargaining power. One such development is

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<sup>6</sup> [http://news.xinhuanet.com/english/china/2013-01/28/c\\_132134304.htm](http://news.xinhuanet.com/english/china/2013-01/28/c_132134304.htm)

the shortening of job tenure, especially among the younger second generation migrant workers, indicating a more volatile and insecure labor market. According to a national representative survey by Tsinghua University of more than 2,000 workers in 2011, migrant workers born in the 1980s held onto jobs that on average lasted for 2.68 years, but for those born in 1990s the average job duration is only 0.93 years. Both groups' job tenure paled against those born before 1980. These older workers have job duration (4.2 years) that is more than twice as long as the new generation. Also, the survey finds an overall rate of 37.9% in "waiting for employment" mode (unemployed). The implication is that there is little job stability; the job market is extremely fluid, inhibiting the formation of worker collectivity and solidarity (Tsinghua Sociology Research Team 2013). The negative implications for worker solidarity and collective capacity are obvious and will be discussed in a later section.

Besides the shortening of job tenure, another labor market phenomenon undermining workers' bargaining power is the rise of a new but vulnerable labor pool for capital – student interns. In Foxconn and Honda factories, interns are found in many workshops accounting for 15% to 50% of the workforce, for durations ranging from 2 months to 2 years. They are students enrolled in vocational schools' nursing, auto maintenance or business administration programs, but are sent to these factories as a mandatory part of their training. Working without labor contract or social insurance, doing tasks unrelated to their majors, these workers are not recognized as workers under the Labor Law, although they work and live like other full time workers. The supply of student interns as a source of precarious labor has resulted from the commodification of vocational education and the collusion between local government and powerful multinational corporations. Vocational schools have been privatized since the late 90s, and through internship programs, schools received equipment, trainers, and funding in return. Local governments competed with each other to lure big investors like Foxconn to move to their localities, and

promised companies a steady supply of interns (Su 2011; Chan et al., 2015). Ross Perlin (2013) reported one particularly dramatic instance, noting that “When the fallout of the 2010 suicides left Foxconn with a labor shortage, the Henan provincial government, busy wooing the company to set up shop in the province, eagerly stepped into the breach. Giving them only nine days’ notice, the province directed 100,000 vocational students to staff the Shenzhen assembly lines as “interns” (the Chinese term *shixi* can also mean “trainee”). Students who failed to go—there was little in the way of education or training—were told they would not be allowed to graduate.”

Third, if labor market informalization has undermined the empowerment effect of labor shortage, is there any evidence to substantiate the assertion that second generation migrant workers have higher rights and class consciousness than the first generation? The aforementioned Tsinghua University survey finds that the two generations of workers actually have similar level of legal knowledge. What stands out among the second generation workers, according to the survey, is their consumption pattern. They earn less than older workers but consume more; whereas older workers spend mostly on daily necessity and social obligations (wedding and birthday gifts), younger workers spend on fashion, entertainment, communication, eating out and social gathering. It is one thing the ubiquitous use of smartphone and social media; but it is quite another that it has the consequence of producing more frequent or more effective mobilization. The causal connection is more often assumed than demonstrated. Lu Zhang, for instance, despite asserting many times in her book about “rising resistance” and “growing consciousness” of the “strengthened” second generation migrant working class who are “technologically-savvy and adept at using social media ... to spread information and initiate collective action” (Zhang 2015: 149), conceded that the strikes



these young workers staged in auto factories were “short-lived, small scale, and did not go beyond economic demands” (Ibid: 159).

Moreover, higher wages is not empowerment, especially in the context of soaring prices in Chinese cities. Incidentally, higher wages is part of the Chinese Government strategy to rebalance the Chinese economy. The state wants workers to consume more, so as to create domestic demands and thereby lessening the economy’s dependence on export markets. Striking workers’ demand for higher wages therefore has been met with state toleration and tacit support, exactly because it dovetails with the state’s macro-economic restructuring strategy. The 12<sup>th</sup> Five Year Plan (2011 – 2015) stipulated an average annual minimum wage increase of 13%, to reach at least 40% of average urban salaries. The more general effect has been double-digit rates of wage hike throughout China in the past few years.<sup>7</sup> In this new model of development, workers’ significance lies in their labor as direct producers, but also as consumers. Therefore, higher wages is not caused by and does not mean more worker power in the workplace.

Let’s turn to the fourth claim of the empowerment thesis asserting a maturation or radicalization of worker mobilization. Oral accounts of worker leaders and ethnographic studies of recent strikes cast doubt on the facile claim that migrant workers’ class capacity and consciousness has witnessed any qualitative transformation. Reports about workers’ new found interest in and demand for collective representation usually concentrate on the sensational emergence of strikes, capturing the euphoric moments of worker mobilizations without following up on their outcomes. The few scholarly ethnographic studies that have carefully examined the processes and outcomes of these strikes conveyed quite a different picture.

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<sup>7</sup> [http://www.bjreview.com.cn/nation/txt/2014-06/03/content\\_622012.htm](http://www.bjreview.com.cn/nation/txt/2014-06/03/content_622012.htm)

For instance, Chinese sociologist Wang Jinhua's (Wang 2011; Wang and Shi 2014) ethnography of the Honda strikes found that the so-called new consciousness has been exaggerated. Among more than 100 initial demands and complaints drafted by the workers, he found only one that had to do with the union (i.e. item number 67: "the union fails to provide workers welfare"). The demand to reform the union came about fortuitously: in the course of the strike, workers looked for laws on the internet to find protection against the company's charge that the strike was illegal. While surfing the web, they found the Trade Union Law, leading them to rethink the potential role of enterprise union. With the assistance of the provincial union, they indeed managed to elect a new trade union leadership and secured a RMB 800 wage increase. The media dropped the story at this point. Wang began his fieldwork after the strike and traced the development of the union one year after the company allowed workers to elect their union chair. He documented that the company had reinstated their own management staff as union leaders, and shut down the QQ network within the factory that had allowed plant-wide mobilization. In 2012, workers avoided the union to pull off a wild cat strike on issues of bonus, again led by workers who had already decided to resign. This strike won some increment in bonus but all the ring leaders were deliberately reassigned to laborious positions. The "elected union" has remained a tool of management. Other strike-prone Honda factories had the same reversal in union representation. Leaders of strikes either resigned or were demoted. Workers lost trust in their elected unionists and lost faith in ever having unions that are pro-workers rather than pro-capital. Analyzing the same Honda strikes in Nanhai, Eli Friedman (2013) concurred that except on the issue of wage increase, workers did not make any lasting gain. "There was no agreement to transfer temp workers into regular workers, implying ongoing precarity for a huge portion of the workforce, as well as compromised social

protection...Demands related to workplace issues continue to be ignored by union and management alike, indicating there have not been improvements in labor process control.”<sup>8</sup>

Elsewhere, a team of researchers who have studied labor strife at Foxconn factories concluded that “Our multi-year ethnographic research revealed no evidence that the Guangdong union federation officials have restructured the Foxconn union, China’s largest, to make it more accountable to workers” (Chan and Selden 2014: 612). Similarly, labor scholars who have traced the strikes that took place around the same time as the Honda strikes concluded that these strikes were cellular, copy-cat action without lateral coordination (Butollo and Brink 2012). They follow the conventional latent rule of labor-state engagement documented a decade ago: as long as workers stay within the factory walls, the government takes a lenient and tolerant stance but once they attempted to go beyond the factory onto the street or join with other factories, they would be punished for being political (Lee 2007).

Claims about workers’ growing radicalism and new interest in going beyond the boundary of the law fly in the face of ethnographic data on another large-scale strike. The sociologist Chen Chih-jou’s detailed account of the 10-day Yue Yuen strike in 2014 involving 40,000 workers from at least 8 factories owned by the world’s largest shoe manufacturer in Dongguan shows that staying within the boundary of the law is still the rule of thumb adopted by ordinary workers, strike leaders and the most daring NGO activists alike. When the NGO activist Zhang Zhiru became an informal strategist and advisor to workers, he repeatedly emphasized the need to “pursue rational resistance”, with his text message explaining that, “marching on public roads and other socially disruptive action not only harm public interests, they will also

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<sup>8</sup> See also China Labor Bulletin’s online report “Five Years On: Nanhai Honda Workers Want More from Their Trade Union” published on May 20, 2015. <http://www.clb.org.hk/en/content/five-years-nanhai-honda-workers-want-more-their-trade-union-0>

invite popular criticisms against our legal activism”. Striking workers also followed the advice of labor scholar Chang Kai who appeared in workers’ social media group and recommended a “work unit-based” framework of action and election of representatives (Chen 2014: 22-23). No less revealing is the fact that the leaders of this massive strike was not the much touted “young second generation migrant workers”, but veteran workers who have moved up to junior and middle management, and whose imminent retirement prompted them to check on their social security accounts and discovered the problem of employer defaulting their contributions. As mergers and acquisitions, and company restructuring become increasingly a main trigger of strikes in China, line managers are becoming strike leaders. Their longer tenure means that more is at stake for them when companies restructure, and their managerial role, skills and information allow them to generate greater mobilizing capacity.<sup>9</sup>

In short, rather than radicalization in action, rising consciousness and empowerment, empirical evidence warrants a more measured assessment. Demographically, a new generation of migrant workers has appeared in Chinese cities but sociologically old structures of subordination have remained intact. Wages and lawful compensations (e.g. pension contributions in the case of Yue Yuen shoe factory strikes in 2014), not political representation or institutional empowerment, remain the cardinal concerns among workers. Beyond moments of collective action, without the intention or motivation to return to the farm, and finding no opportunities beyond dead end jobs in the city, the subjectivity of the younger generation of workers is often expressed in negative terms of loss, uncertainty, alienation and meaningless. The consumerist culture among them is individualistic and opportunistic, tendencies reinforced by the vagaries of the

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<sup>9</sup> “In China, Managers are the New Labor Activists” *Reuters*, May 31, 2014  
<http://www.reuters.com/article/2014/06/01/china-labor-strikes-idUSL3N0O929U20140601>

labor market and the shortening of job tenure. These two quotes from labor NGO activists shed light on this process of atomization (Zhao 2013):

“Currently, the meaning of “old worker” in IT companies is a worker who works in the same factory for more than one year. It is very common that a worker work in a factory for 2 or 3 months. I guess the turnover rate in this company is higher than 50 per cent. So, I have to face the new faces every day. It is not easy to let them know our work in a very limited time.”

“The rate of turnover is very high in the construction sector. The workers always work in the same work yard for less than half a year. The workers always joined our activities for one or two time. And then they moved away. Visiting the builders’ dormitory is our daily work. I will meet different workers in the same dormitory every week.”

The false optimism is related to an analytical pitfall that privileges subjectivities and slight structures. Trumpeting workers’ class consciousness as an indicator of a strengthening labor movement may be emotionally gratifying to all who are sympathetic to advancing labor’s cause, but it provides flawed analysis, and therefore is counter-productive to progressive politics of any kind. Focusing on worker subjectivity as if it was the crucible of workers’ predicament and empowerment is to forget Marx (1852) famous dictum: “Men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past.” Moreover, Chinese workers’ articulations of sharp, critical insights about their interests, state power, and the law are well documented (e.g. Lee 2007). There is nothing new about workers’ consciousness of their class interests and rights, as some labor scholars have asserted, usually based on voluntaristic interpretation of one or two episodes (Chan and Pun 2009; Leung and Pun 2009). In an extreme case, one worker narrative was taken as adequate evidence for Pun Ngai and Lu

Huilin (2010: 499) to take a great leap of faith and generalize to the entire generation of workers, asserting that “Unlike the first generation of peasant workers, who were lost and passively accepted their fate, the second generation has refused to remain quiet”. Subjectivism and singularity are the two methodological tendencies that might have produced an exaggerated assessment of worker power.

### *Conditions for Worker Empowerment*

In this paper, I (re)examine the several high-profile strikes that have captured both media and academic imagination, and analyze recent labor market conditions (labor shortage, extensive use of student interns, shortening of job tenures), legal reforms (Labor Contract Law and its implementation), and state policies (state-led urbanization, minimum wage increase, large scale agriculture, etc). I come to the conclusion that rather than empowerment, Chinese workers are facing the challenge of precarization, just like their counterparts around the world. The imminent retirement of the first generation of migrant workers and the arrival of the second generation is a demographic fact, but there is no evidence that the latter have a class consciousness that the former “lacked” or that somehow their purported “empowered” subjectivity will herald a new era of labor politics. The institutional foundations of Chinese worker subordination have not changed. If anything, they have become more pernicious – collusion of local government and employers leading to arbitrary implementation of labor laws; land dispossession without proper compensation and conversion to urban *hukou*; state monopoly of worker representation and relentless crackdown on labor NGOs and activists who dare to assist worker mobilization. Without substantial change in these material or institutional conditions, the dynamics of labor activism has remained cellular, legalistic, self-limiting to state defined boundary. In short, it remains a politics of necessity rather than a

politics of freedom. It is not a question of whether or not workers were conscious of their interest; it is what workers could realistically fight for given the conditions they find themselves in. In this day and age of global precarization, it has become ever more important that labor scholars, of China or elsewhere, resist the temptation of subjectivism and voluntarism, and recall Gramsci's famous motto: pessimism of the intellect and optimism of the will.

The search for change should begin with potential openings and shifts in state-capital alliance, and the dynamics of political economic transformation in China. Some of these have already been discussed in passing in this paper. First, the imperative of stability preservation, in addition to economic growth, has compelled local governments to play a more balanced role in brokering capital-labor relation, breaking a uniform pattern of pro-capital stance, especially in sensitive cases. Second, as local governments rely more on landed capital, land sales and finance-driven speculative projects for revenues, officials may be more willing to discipline industrial capital which causes labor unrest and which tarnish their performance record in stability maintenance. In some instances, as in Guangdong, provincial governments with an eye to upgrade its industrial structure by removing labor intensive employers to make room for high technology oriented ones may find an interest in empowering workers in some economic sectors. Third, recent studies of the ACFTU have revealed internal struggles and divergent interests at different levels of this official organ. It seems like pro-labor reformists have been quite active and effective at the very top and some of the very grassroots (municipal and enterprise) branches.<sup>10</sup> While it is still subordinate to other economic ministries in the central government, with an organizational culture emphasizing top down control and state interests, and deeply alienated from its worker base, ACFTU's legislative activism and local experiments

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<sup>10</sup> I thank Lin Lefeng for sharing his preliminary findings from his research on ACFTU in Shenzhen.

in some locales may plant the seeds for the creation of an institutional ally for worker mobilizations in the future. Finally, as some capital moves inland to source cheaper labor in places closer to migrant workers' homes, there is the possibility that class solidarity (reinforced by localistic social relations and communities) can be more easily fostered. Attending to these diverse political and structural conditions in China's uneven and combined development will lead labor scholars to make finer and more theoretically informed distinctions among categories of "Chinese labor". Our field needs sustained comparisons among workers' power and politics according to, for instance, economic sectors, extent of land expropriation in home villages or rural economic conditions. Only then will we be in a position to tell which Chinese workers under what circumstances are empowered or otherwise.

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