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In spite of the increase in transnational codes of conduct practices at the company level and legal mobilization of labor at the societal level, despotic labor regimes in China are still prevalent. Globalization and "race to bottom" production strategies adopted by Transnational Corporations (TNCs) work against the improvement of labor relations in China through new institutional practices and employment relations. The goal of this study is to provide a framework for understanding the working conditions of female migrant workers. While the inhumane working conditions of the women workers have been repeatedly observed, none of the existing studies have provided a solid analysis on the emergence and development of this precarious employment system in China. This article hopes to bridge the global factors (the new international division of labor and global subcontracting system) as well as local elements (the post-socialist state role, the specific urban - rural divide, and the Chinese patriarchal culture), demonstrating how they contribute to precarious employment patterns. The hidden costs of the production and reproduction cycles are still unknown (1).

With China increasingly incorporated into the global economy over the past two decades, it has become a "world workshop" providing a huge pool of cheap labour for global production. Since the mid 1990s we have witnessed a surge in the relocation of transnational corporations (TNCs) in China from all over the world, especially from Hong Kong, Taiwan, Japan, USA and Western Europe. More than 100 million peasant-workers have been working either in transnational corporations (TNCs), directly owned or joint-ventured by big brand-name American and European companies, or in their Chinese production contractors and subcontractors. There are concerns emerging amongst NGOs as well as academic circles about globalization and labor conditions in post-socialist China.

The *Chinese Working Women Network* started its projects in Shenzhen. Since 1996 we

have witnessed the rapid incorporation of migrant labourers in this Special Economic Zone (SEZ), which was set up in 1980. Before this, Shenzhen was only a small city with 310,000 residents and less than 30,000 workers. At the end of the year 2000, the total population had increased to 4.33 million and its labor force 3.09 million. Around 30% of the population is categorized as permanent residents who have come from major cities as state officials, entrepreneurs, technicians and skilled workers. About 70% are classed as temporary residents, which means they do not have the official household registration entitling them to recognized citizenship in Shenzhen. In 2000, the total number of temporary residents was 3.08 million, which is almost the entire labor force in Shenzhen, the majority being migrant laborers from rural areas.

The economic “take-off” of Shenzhen and the advancement of its position in the global economy is particularly dependent on the extraction of female labor from the rural areas. The process of “globalising” Shenzhen has depended on cheap and compliant female labor, in the development of export-processing industries. In our studies in garment and electronics plants in Shenzhen, we found that over 90% of the total labor force in the light manufacturing industries was young, female and under 25 years of age. All women workers were classified as rural peasant-workers, *mingong*. No matter how long they had worked in Shenzhen, they could never be classified as formal workers. Lacking the right to stay in city, most were accommodated in the workers’ dormitories, provided by their employers.

Migrant Workers and the Dormitory Labour Regime

The *dormitory labour regime* in China contributes to a specifically exploitative employment system in the post-socialist period. This regime links with labour migration and reproduction cycles in the rural communities, serves global production, and generates hidden costs which are borne by women workers. Local governments compete for foreign investment, openly neglecting legal regulations and social provisions. The costs of labour reproduction such as education and general welfare, are entirely undertaken by the rural communities which subsidize wages, accommodation and consumption. Wages of migrant workers are equal to that of ten years ago, or declining. The lack of residential status in the city precludes the formation of a working class force, which could work for the labour rights of migrant workers.

The shrinking of the government role in labour provisions has resulted in a lack of social and labour protections for rural migrant workers. Long working hours, low wages and poor living conditions are often the norm, and compare badly to the

conditions of the urban working population. Deprived of their rights to stay in the city, there is almost no long-term planning on education, training, housing, medical care and social welfare to accommodate the new working class. As half peasants, half workers, the identity of migrant laborers is ambiguous in association with their basic citizenship rights, weakening their bargaining power. They are forced to leave the city once they lose their job, no matter how long they have been working there.

Without state protections, female migrant workers have no choice but to resort to the support of kin and familial networks. These networks facilitate migration flows, job searching, circulate work information as well as helping workers to cope with factory life and hardship in the city. Most of the invisible costs taken up by these familial networks benefit the industrial capital in terms of labor recruitment, labor training as well as disciplining the labor force. Reliant on these labor networks to train their workers, upgrade skill and speed up the process of accommodation to the factory life, the factory management continues to generate an informal labor market which maximizes profit but leads to the precarious employment system in China.

In order to illustrate how the precarious employment system arises in China in general, and Shenzhen in particular, we mainly look at the aspects of labor use, working conditions, migration and reproduction cycles. We will highlight that the patriarchal culture in rural China that affects the migration process and the general reproduction of labor in the communities, also shape the labor conditions in special economic zones and new industrialized towns

We rely on five garment factories where CWWN has assisted in long-term organizing in the workers' dormitories since 2000. We conducted organizing activities as well as research with over 1500 women workers. The research covers workers who are single and married, fresh and experienced, urban and rural (mostly rural migrants), and focuses on garment factories.

Women, family and reproduction

It is often stressed that the low status of Chinese women is rooted in the Chinese family system, which is patrilineal, patrilocal and patriarchal in nature. Women in rural China were traditionally deprived of the means of production and the right to land, and their personal autonomy was totally submerged under male authority, whether that of their father or their husband. They were temporary members or future deserters of their natal families and stranger-intruders in their new husbands' families" (Johnson, 1983).

Women, then, were born into a system where they were essentially powerless. Their labor would be given to another family and they were therefore considered as “water spilled on the ground,” as one Chinese saying goes. No family would invest time and money in educating daughters who one day would become the daughter-in-law of someone else. Thus, a sense of inferiority and degradation was nurtured in girls from childhood.

Forty-years’ experience of socialism in China did not fulfill its promise of “women’s liberation”, which was one of the significant revolutionary goals. The priorities of economic and political development overshadowed the goals of social change, sacrificing the promise of women’s emancipation.

Socialism and patriarchy has existed hand in hand in stable harmony. The configuration of a patrilocal-patrilineal-patriarchal family system has been even further consolidated in the reform period of recent years. When land was restored to the household, when the household head, who was male, represented all female interests, when the men controlled all the resources and means of production, women’s rights and situation further deteriorated (Croll, 1985). Worse still, the one-child policy controls not only women’s fertility, but their bodies, sexuality and personal autonomy. Consequently neither socialist revolution nor reformist transformation liberated more space for women.

Most of the factory women knew quite well before they left their village that they were going to be imprisoned in a sweatshop for twelve hours each day, earning about five or six hundred *renminbi* (USD 60-72) each month. The youngest woman in the workplaces was sixteen, and the oldest was forty-six; they all knew the factory boss would not treat them as equal human beings. They knew there was a huge gap between industrial life and rural life. They knew they were going to sell their bodies. They knew almost everything.

Dong: “It’s not the first time I’ve gone out working.”

Dong was a rural female migrant worker typical of her generation. At the age of 23, she was an experienced *dagongmei* (working daughter) and had been working in Guangdong for more than four years. Dong was born in a relatively poor village in Hunan. She grew up along with China’s rapid economic reform over the past twenty years. As the eldest daughter, and the first to take responsibility for alleviating the family’s burden, her father asked her to quit her junior secondary school at the age of

sixteen when her younger brother got into secondary school and the family did not have enough money for both.

“I thought I could earn more money in the Special Economic Zone. I knew quite well what the working conditions might be, and how much I could earn before I went out for work. I knew it was not easy to work in a big city which was a totally strange place to me. But I thought it was still worth it to try and it was a chance for me to look at the outside world.”

She went back home almost every year. Every time she returned she brought back about two thousand *yuan* (USD 240) to her father, which was more than the total of her family’s income. The family was happy with her contribution and she was satisfied too. “The first time I saw my father and mother smile so happily, I knew that there is big gap between urban life and rural life. My parents at first could not believe that I earned two thousand *yuan* within five months.”

But for Dong, the life of the outside world became less and less interesting as she worked in Shenzhen for four years. “I know there is a big difference. People in the city earn a lot and enjoy a different kind of life. I do feel tired. The working hours are too long. It’s too hard. What’s worse, I could never have hoped to stay in the city. My *hukou* (household registration) is in the village (2). Last New Year, I went back home and thought that I would not come out again. I stayed home for two months and I slept, slept all the day...” But with her energy and health resumed, she felt bored at home and went out working again. She had a boyfriend living in a nearby village; they agreed to get married the next year. She knew that after marriage, she might have no chance to work in the city again. So even though industrial work was very arduous and exploitative, she still wanted to enjoy her personal “freedom” outside the village for a little more time. Saving some of the money for her future married life was another consideration. “Life will be happy if my husband and my parents-in-law treat me nice. But no one knows. It’s better for me to have some money of my own.”

Thus the individual life cycle, the women’s transitional life period between puberty and marriage has meshed with social time, the transitional period of the socialist economy fusing with global capitalism.

Uprooting Labor rights

Besides labor control, population control is another specific strategy of the Chinese

socialist state in appropriating labor into global capitalism. Population control in China is effected by a system called *hukou*, household registration, which was formally set up in 1958 when the Central State promulgated the Regulations of Household Registration. The *hukou* system in China determined not just where a person could live but along with that the person's entire life chances - social rank, wage, welfare, food rations, and housing (Solinger, 1991). In the pre-Reform era, there was only one strict system of *hukou*: the registered urban permanent residence and rural permanent residence. Peasants, with their fate sealed by the rural *hukou*, were banned from leaving the land for over three decades. Loopholes did exist, but in terms of numbers, illegal migration was never able to challenge the bifurcated social order between the rural peasantry and the urban working class.

Shenzhen is the first city to change its *hukou* system dramatically in the early 80s. Besides the former permanent household registration, temporary household registration has been issued to temporary laborers. In Shenzhen the *hukou* system is well connected with labor control. When rural migrants are hired by enterprises and approved by the Labor Bureau as temporary laborers, after the payment of Increased City Capacity Fee, the enterprises should apply to the Public Security Bureau for a certificate of temporary residence registration, and to the local police station for registering a temporary *hukou*. And, finally, they should apply to the District Public Security Bureau for a Temporary Residence Certificate so that their workers can become legal temporary workers in Shenzhen. The temporary residence is only for one year and needs to be renewed annually and fees paid. The strategy of local governments is to change the use of rural labor regularly. Local officials openly declared that if there was work, rural labor could come and be given a temporary residence. However, if there was no work, they would have to leave so the local government would not have to bear the burdens of urbanisation.

The maintenance of the distinction between permanent and temporary residents by the *hukou* system facilitates the state's shirking of its obligation to provide housing, job security and welfare to rural migrant workers. The labor of the rural population is needed, but once their labor power ceases to be necessary they can no longer survive in the city. This newly forming working class is not permitted to form roots in the city. Still worse, the *hukou* system, mixed with labor control, simultaneously deepens and obscures the exploitation of migrant labourers. This has created a contested, if not deformed, citizenship, which has disadvantaged Chinese migrant workers attempting to transform themselves into urban workers. The term *mingong*, "peasant-workers" or temporary workers, blurs the lines of identity between peasant and worker (Solinger, 1999).

Housing, education and other infrastructure is not provided by the Shenzhen Government to the temporary residents. Migrant workers themselves are not rightful citizens and, moreover, their family members are not allowed to live in Shenzhen unless they too can find a job and acquire the status of temporary worker. Marriage and childbirth cannot be registered in Shenzhen. Officially these workers are still regarded as peasants and are supposed to have backup from their families in the rural areas. Thus local government and foreign enterprises can reduce their burdens while at the same time making use of the rural labor for their own profit. The cost of labor reproduction is borne by the rural society.

Normally a worker, usually female, will spend three to five years working as a wage laborer in an industrial city before getting married. The long-term planning of life activities such as marriage, procreation and family were all expected in rural communities. Given that there is a great labor surplus in rural China, it is almost unnecessary for the urban government to consider the long term reproduction of labor.

Most workers in Shenzhen live in factory dormitory buildings with about fifty workers in one flat or house built of wood and iron sheet provided by their employers. However, since the temporary laborers are not officially recognized as workers, *gongren*, the factory did not recognize them as such either. One company director said that the workers they previously employed in Hong Kong were still under the protection of the labor law in Hong Kong, and they could not dismiss the workers arbitrarily without compensation. In Shenzhen they could dismiss workers at any time they want.

Working conditions

The notorious working conditions in the special economic zones and industrial towns in China can be attributed to the *dormitory labor regime*. With accommodation tied to employment, the employer has control over the non-working life of the worker. With extended working, the employer can inhibit the job search time for workers. And the *dormitory labour regime* relies on young workers who can be easily controlled (Smith and Pun, 2003).

Dormitories are predominantly owned by local authorities and rented to factory owners. Increasingly however, foreign-invested firms are building their own dorms to suit their own particular needs and typically, these facilities are within compounds flanking the factory. In these settings, the spatial integration between working and non-working life is tighter, and companies, rather than the state, play a more commanding role in controlling workers' lives.

China Wonder Garments is a relatively small subcontracting garment factory set up in Shenzhen in 1989, which is situated across the border from Hong Kong. China Wonder moved to Shenzhen simply because of lower production costs, cheaper land and labour, and the local state provided a better investment contract package, including lower taxes, less management fees, and lower rents for a larger factory compound.

China Wonder had a workforce of 600, and is under a Hong Kong director who has sole authority over the operation and management of the factory, with a quasi-paternalistic style of management. China Wonder lies in the middle of the global subcontracting chain, in which it produces garments for Hong Kong buyers who hold the production orders from American and European corporations. The total production is for export, and no exploration of the domestic market in China has been attempted. China Wonder has an office base in Hong Kong, which co-ordinates the whole production process in China.

Both production and dormitory premises were rented from the local district government, which charged the company an additional management fee. Both production facilities and working environment were relatively poor, but there was no strong incentive to upgrade. The management knew that there was international pressure to improve the working and living conditions by different codes of conduct. The Director had subscribed to the Disney Code of Conduct (a set of company codes on labor standards used to regulate subcontractors or suppliers in China since the mid 1990s), which was displayed on the wall in Chinese. He said these codes would be useful if they gave support for improvements – but as most only gave verbal advice and no resources, they were not considered particularly helpful. Moreover, while a benchmark for the owner, they were also said to be ‘window dressing’. It was stressed that profit margins were so tight, there was no room for additional costs.

Nearly all the workforce in China Wonder were rural migrant workers from the provinces of Guangdong, Hunan, Hubei, Jiangxi, Anhui and Sichuan. The only locals of Shenzhen were the accountant and the housekeeper of the company. Housing these migrant workers was difficult and expensive, according to the housekeeper, though only very basic housing facilities were provided. The dormitory building of three stories was just adjacent to the production building, which required only two minutes walk to the shop floor, thus easily facilitating a ‘just-in-time’ labour system. Each dormitory room housed 12-16 workers and was very crowded, lacking ventilation, adequate lighting, and absolutely no private or individual space. Workers on each floor

share common toilets and bathrooms at the end of the corridor. The management admitted the living conditions were very poor, but blamed the local government for not providing enough space for adequate dormitory facilities. The dormitory building was built to accommodate 500 workers only, but in China Wonder, it always had more than 600 workers.

The dorms provided by China Wonder were ‘free’ and no deposit for accommodation was required. A hierarchy for the spatial arrangement in lodging re-enforced a hierarchy of labour. Managerial, technical and supervisory staff members were sharing 2 per room, though the rooms were also very basic. Neo-paternalism in this workplace was reflected in the managerial style, as well as in the company reliance on family networks for recruitment. As an example, a supervisor in charge of 60 workers in the finishing unit had 12 relatives in the factory, and he had been with the company for 6 years. With 600 workers in the factory, it only took about 50 families or less to be responsible for recruiting all of the workers. This means access to the factory was totally network-dependent, and strangers could not get in. This formed an ‘extended internal labour market’, passing job information to those linked to insiders, usually kin.

In China Wonder, the finishing unit supervisor took six years to weave his family network connecting individuals to different work positions. Acting as a paternalistic patron, he needed not only to take care of his relatives and co-villagers’ daily lives and accommodation, but also was responsible for their work behavior on the shop floor. All the family members recruited needed to be responsible, and this might act to police the performance of the worker; if they let the family down, they let the team down and payment, which was strongly performance based, would suffer. This resulted mutual obligations as well as mutual control and group discipline in the workplace. Thus, labour mobility was balanced by these self-regulated job-hopping networks, which served as a stabilizer for keeping a constant labor force for the *dormitory labour regime*.

Freedom of Movement

China Wonder stressed tighter control and more restrictive measures to regulate workers, who came from more than five provinces. The company kept the workers’ identity card as well as enforcing a system of deposits. In addition to the token Disney’s Code China Wonder had its own code, the real one, which was far more detailed and disciplinary. After entering the company every worker received a handbook that contained more than 50 provisions.

The working hours were also very long; overtime work on Sundays and every night was expected. The workers in China Wonder worked from 8am to 10 pm. If there were rush orders, the workers could be requested to work up till midnight. Twelve working hours per day was normal for the workers; a rest day would *only* be provided if there was a break of production orders or in the low season. This meant that the workers worked between 72 hours and 77 hours each week, far more than the working hours allowed by Chinese law (40 hours each week, and 36 hours overtime work per month). It openly violated the Chinese Law and Disney's Code. At the beginning of 2002, the factory kept on operating on January 1st, the National Day, which was a statutory holiday. In addition, workers had to work on Sunday 24th February after the Chinese New Year holiday, which was in violation of the code providing one day off in seven.

According to Chinese law, overtime on normal workdays has to be paid at 150 per cent of normal wages, 200 per cent when occurring during rest days and 300 per cent during statutory holidays. Most of the workers would not know the Chinese Labor Law since there was no educational or promotion programs. Most workers, in particular those in the cutting, sewing, packing and quality control sections were paid on a piece rate basis. Other workers and apprentices were paid on an hourly basis, while management staff was on a monthly payroll. For those workers paid on a piece rate basis, the overtime premium was paid according to the law as far as normal workdays were concerned. Wages for overtime during rest days however, did not conform to the law. Work on Saturday was thus not considered overtime, which was accounted only on Sundays and work after 8pm, and overtime was paid for 1.5 times only. The workers interviewed, for their part, did not have a clear understanding of when overtime premium was paid, and were under the impression that overtime was only paid in the evenings, and not on Saturdays or Sundays since both the company and the workers would take evening work as overtime work. Overtime work was not voluntary as stipulated by Chinese law and the Disney Code. In contradiction of the law, the worker's handbook stated that: "when the workers cannot do overtime, they have to apply to the supervisors for a written exemption from overtime". While the workers welcomed the possibility to work overtime, they considered that they could not refuse overtime, especially during the high season.

Wages in China Wonder were relatively high. However, workers only received more due to the excessive hours they had to work. The paternalistic *dormitory labour regime* provided absolute lengthening of working hours and double extraction of labour power

through absolute control of labour time and living space.

Conclusion

Because of the obvious violation to the company codes and Chinese law in most of the transnational companies, the Chinese Working Women Network joined with the Clean Clothes Campaign in 2002 on a pilot project to set up a monitoring system in China. The precarious employment system in China has come about through a mixture of global, national and local factors. These local particulars are often overlooked in the global trade analysis. The migration cycle, women's struggle against the patriarchal culture, and the huge rural-urban divide has contributed to women workers' acceptance of low-waged work in the city. The great labor surplus in China exacerbates this low-waged but efficient production system, suiting the "race to bottom" production strategies of capital. The irresponsible way in which the local government uses migrant labor has removed workers' basic labor and civil rights, and transferred the cost of reproduction of labor to rural communities. The absence of residential rights has created a highly exploitative situation in which workers can hardly organize themselves.

The *dormitory labour regime* houses over one hundred million migrant workers in China. These workers are mostly young, single and female, toiling twelve hours a day in garment, electronics and toy factories. Applying long and flexible labor hours, whilst incurring low production cost, and maintaining strict control over working lives, this *dormitory labour regime* is a new creation in China. Women worker organizations are needed to safeguard workers' rights in a context where neither state nor capital are genuine regulators for labor standards.

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Footnotes

- 1) The women workers are expropriated from the rural communities, where education, training, housing and the general well-being were provided. The reproduction of the next generation of labor is again shouldered by the rural villages which provide surplus labor

- 2) No one could change his/her identity except under state planning. In some cases university graduates were allowed to change their *hukou* to work in big cities because they were considered professionals.

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