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**THE POWER OF INFORMAL LABOR:
CONSTRUCTION WORKERS' STRUGGLE IN
POST-SOCIALIST CHINA**

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**The Power of Informal Labor: Construction Workers'
Struggle in Post-Socialist China**

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**A thesis submitted in partial fulfillment of the requirements
for the degree of Doctor of Philosophy**

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Abstract:

The Chinese reform has brought about a new social structure that is characteristic of capitalist arrangements where accumulation of capital predominates. This is particularly apparent in the construction industry where the system of subcontracting labor has brought about an informalization of labor relations. This arrangement not only undermines workers' bargaining power, but exploits workers in unconscionable ways.

This research indicates that workers are never passive victims. Rather, they can construct derivative workplace power, and associational power based on teamwork as well as living community to change the situation confronted. The labor subcontracting system will be transformed as more labor subcontractors join workers in their collective struggle.

This research also examines the role of media in reporting and interpreting workers' struggles. In contrast to Jennifer Chun's proposition regarding the symbolic power of the media, this research proposes that the role of the media in China is twofold. On one hand, by exposing workers' actions, the media can capture public attention and mobilize local government. On the other hand, the media is constructing a "rule of law" hegemony which can also distort workers' action and ignore the underlying structure of the action.

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Introduction: The Making of Chinese Informal Labor¹

China's Re-Embeddedness in World Capitalism

David Harvey, a leading social theorist, observed that “Over the last twenty years or so, ‘globalization’ has become a key word for organizing our thoughts as to how the world works.” What we now call “globalization” has been around in some form or another for a very long time — at least as far back as 1492 if not before (Harvey, 2005). He points out that capitalism cannot do without its “spatial fixes.” This is a good point of departure for examining China’s transition over the past 35 years.

To some extent, it is accurate to say that the Chinese reform is the combination of two crises — that of the capitalist economy in the West, and that of state socialism in China after the failure of the Cultural Revolution. China, after being disembedded from the global capitalist economy for 30 years, became re-embedded in the name of socialist market economy and neo-liberal ideology. As Li Ming Qi points out,

As capital accumulation proceeds, however, it tends to raise the environmental cost, labor cost, and taxation cost in a given geographical area, imposing pressure on the capitalist profits. Historically, the capitalist world-economy has responded to the pressure of rising costs through successive geographical expansions, relocating capital to new areas with lower costs. The process obviously cannot proceed indefinitely as sooner or later it will reach the maximum possible limit — the entire globe. China was one of the last large geographical areas that were incorporated into the capitalist world-economy (M. Li, 2009, 14).

¹ “Informal labor” in this thesis is mainly used to indicate the labor use system widely used in the reform era, which is in sharp contrast with the formal labor system used in Mao’s China.

China became the new paradise for the “spatial fix” strategy of capitalism. As a response to the crisis of capitalism in the 1980s, informal work arrangements increased rapidly. This informalization of the workforce has created an working class which “is about one billion strong, making it the fastest growing, and most unprecedented social class on earth” (Davis, 2006). As soon as China’s reform was launched, the reform of labor practice was put on the agenda; it underwent a transformation from the “iron-rice-bowl” (where the state ensured employment) to the informalization of employment (where employment became precarious) (Kuruvilla, Lee, & Gallagher, 2011).

The most important labor reform took place between 1977 and 1995 — a period characterized by three stages: the re-establishment of “distribution according to labor” (1977-1983), contractualization (1984-1992), and marketization (1992-1995 and thereafter) of the Chinese economy with greater deregulation of social and economic mechanisms (Tomba, 2002). The debate concerning the labor reform practice changed from “whether or not labor is a commodity” in the second stage, to “how to create a labor market” in the third stage.

During the last stage, the term “free market,” which some Chinese scholars use in a Marxist sense, lost its significance as a person “liberated from wage labor” and took on a meaning that can be summarized as a person free to act in the market and to make economic decisions without political and bureaucratic constraints (Tomba, 2002).

The ideology relating to labor practice shifted, especially after 1989, to the point where Neo-liberalism has become a dominant ideology in China (H. Wang, 2008). Thus, the path followed by the labor debate began with Marx and finished, more or less willingly, in the open arms of Milton Friedman’s neo-liberalism (Tomba,

2002,134).

In effect, the Chinese reform has created a property-less mass of people who are compelled to sell their labor power in accordance with the demands of the market. Indeed, in terms of the numbers of people affected in a relatively short period of time China, in the reform period, has undergone the most massive and intensive process of proletarianization in world history (Meisner, 1996,494).

The informalization of the economy is part of the process of proletarianization. The 1995 labor law served to smash the iron rice bowl system and it succeeded beyond the wildest dreams of the state. It has intensified the process of “commodification and casualization of labor,” where employer strategies of labor flexibility interact with the lack of effective regulation and result in plummeting labor standards (Kuruvilla et al., 2011).

Informal Labor in Construction Industry

It is estimated that informal employment has increased to more than 50% of urban employment in 2004, while the guarantee of welfare benefits has declined. These changes have resulted in less stable and worse paid work as well as poorer labor protection (Kumar & Li, 2007). Moreover, most of the informal workers are “temporary workers in permanent jobs” — of which construction workers account for a large part (Kuruvilla et al., 2011).

Serial policy adjustment has transformed the construction industry from a state, or collective guaranteed labor and employment system, to a subcontracting system, one which had tremendous impact on the labor conditions afterward. During the 1990s, market reform in the construction industry was deepened, and in 1998 the construction law was established. The rapid growth in construction since 1979 has expanded the construction labor force, which increased from 9.8 million in 1980 to

over 24 million in 1994 (Ahmad & Yan, 1996).

In recent years, China's construction industry has experienced astonishing growth.² By 2007, the Chinese construction industry was consuming half of the world's concrete and a third of its steel for building its global cities, and it was employing more than 40 million workers, most of them peasant-workers from all parts of the country. About 30% of all migrant workers from the countryside work in the construction industry.³ In order to transform Beijing, Shanghai, and Guangzhou into China's core global cities and speed up the process of urbanization, China has invested about \$376 billion in construction each year since the Tenth Five Year Plan (2001-2005), making construction the country's fourth largest industry. By the turn of the twenty-first century, the construction industry had become a strategic industry accounting for approximately 6.6% of China's GDP. By the end of 2007, the industry's total income had risen by 25.9% to ¥5.10 trillion, and total output value reached ¥2.27 trillion in the first half of 2008 (Pun & Xu, 2011).⁴

Although the Chinese construction industry has contributed largely to this economic growth, workers have been working under a regime characteristic of "double absence." The absence of boss and the absence of legal labor relations are the main feature of the informalization of the labor force in construction industry.

In 2004, the Chinese Seamen & Construction Workers' Union reported that there were nearly 40 million construction workers, of which 90% are migrant workers working on the production line. Most of the construction workers were between 18~50 years old, with 60% around 30 years old. According to this investigation, six

² In China, the construction industry is defined as the sector that creates buildings and other structures. See Sun Sheng Han and George Ofori, "Construction industry in China's regional economy, 1990-1998," *Construction Management and Economics*, vol. 19, 2001, pp. 189-205.

³ See "Construction Workers Alienated," *China Daily*, 9 July 2007.

⁴ See *Zhongguo jianzhu nianjian*, 2008 (Statistics of China's Construction 2008), National Statistic Press.

serious problems existed in the construction field: a low rate of signing labor contracts, wages not paid monthly, difficulties taking part in social insurance, miserable living conditions, serious safety issues in production, and lack of occupational training (Union, 2005).

In 2009 SACOM, a labor non-governmental organization [NGO] located in Hong Kong, investigated construction sites in mainland China managed by one of the largest Hong Kong real estate giants, New World China Land. A report entitled *Migrant Workers in the Construction Industry: "Contract Labor in 21st Century"* found 10 illegal working practices, violating more than 30 clauses of the Chinese Labor Law and related regulations, present at the construction sites.⁵

By the end of 2011, another report on the condition of construction workers' indicated that 75.6% of respondents have no labor contract; only 28.1% of workers were paid on a monthly basis, 22.5% of workers were paid after the project finished, and 40.2% of workers were paid only at the end of the year. On the average, 41.2% of the workers experienced wage arrears, and 24.2% knew of other workers who had experienced arrears⁶. The report showed that wage arrears remain as the main problem facing the construction workers.

Labor Struggle in Construction Industry

The reform in China's construction industry did bring about rapid progress and make important contributions to the national economy, but this was at the expense of working conditions, which have deteriorated significantly. Since 2000, wage arrears drew more and more attention. Migrant construction workers came into the public eye around 2003 when premier Wen Jiabao helped a Sichuan construction worker ask for about ¥ 2000 of her wages.

⁵ <http://sacom.hk/category/campaigns/new-world-development-construction-workers>

⁶ <http://old.nbd.com.cn/newshtml/20111207/20111207024807318.html>

From this point forward, demands for wage arrears on the part of construction workers have increasingly come into public view. At the beginning and end of each year, many workers have not been able to get their wages. This has led to protest on the part of workers and the consequent requirement by central and local governments that wage arrears be resolved. However, in the early stages, workers asking for wages were accused of “Baleful Asking for Wage.”

Wage arrears have been one of the features accompanying China’s reform.⁷ As Ching Kwan Lee notes, both the Rustbelt and the Sunbelt experienced serious wage arrears for at least the past 20 years. In the Sunbelt, “unpaid wages, illegal wage deductions, or substandard wage rates are one of the three major types of workplace grievances of the migrant workers” (Lee, 2007,164). In 2002, the problem of wage arrears drew Vice Premier Zhu Rongji’s attention (Greenfield & Pringle, 2002).

This indicates that wage arrears are to some extent an age-old and widespread issue that is not restricted to the construction industry. It can be argued then that wage arrears should be considered as one of the features of the transitional mode of production.

Protests around wage arrears have been extensively reported since 2003. Workers protest in a number of ways when confronted with this situation: climbing up tower cranes, begging on the street, wearing nothing (or simply underwear) bearing a slogan, burying themselves, praying to the river god, gathering on the street with banners, holding a press conference on a construction site, threatening to hang themselves, writing cards to their employers, creating heart-shaped formations on the

⁷ If getting paid for one’s labor is a fundamental feature of capitalist employment relations, strictly speaking, Chinese migrant workers do not qualify as laborers. See C.K. Lee, 2007, 164. I propose that wage arrears is in fact one of the salient features of Chinese capitalism.

street, and even killing the subcontractor (or being killed) when asking for unpaid wages.⁸

The tactics used by protesting workers include reasoning with the employer, violence, threatening to commit suicide, moral reformation, using the law, and appealing to government.⁹

The Puzzle

More attention has been drawn to the labor struggles in construction industry compared to workers in manufacturing industry. But at the same time, it seems that the labor struggles in the construction industry has been sporadic, uncoordinated, and sometimes weak. What is the nature of wage arrears? Why do labor struggles in the construction industry demonstrate the features that they do? How can the workers in construction industry construct their own power to change their conditions? What the implications of their struggle for the struggle of informal labor in general in China?

⁸ http://blog.sina.com.cn/s/blog_60c520b80101d14v.html

⁹错误! 未找到引用源。

Chapter1. Understanding the Struggle of Informal Labor

1.1 Current Research

1.1.1 Research on Collective Action

After more than 30 years of development under the guideline of “take economic construction as the central task,” Chinese society has been changed in significant ways. The last few years have seen an upsurge of social conflict — identified by the Chinese government as “mass incidents” (qun ti xing shijian). According to the official definition, “mass incidents” are tandem and gathering activities caused by the internal contradiction among the people, for the mass thinking their rights are violated express their will and raise claim to related authorities or units through ways of illegal gathering and containment.

A widely cited statistics indicates that the number of mass incidents increased from 10,000 in 1993 to 60,000 in 2003, and participants in these incidents increased from .073 million to 3.07 million. In 2005, the scale enlarged and the total amount of mass incidents with more than 15 participants reached 0.87 million, a 30% increase from the year before, with an average of 250 incidents per day (Liu, 2012).

The mass incidents in China have resulted mainly from land demolition conflicts, environmental pollution conflicts, and labor disputes. The social development Blue Book also indicates that mass incidents reached to tens (and even hundreds) of thousands. According to the All-China Federation of Trade Unions [ACFTU], in the first months of 2012, more than 120 collective actions over wage disputes resulted in

nationwide shutdowns involving over 100 workers. 270 of these occurred across 19 provinces, with more than 30 people involved each time.¹⁰ It has become apparent that the capital-labor conflict is the main factor to trigger mass incidents that involve more than 100 participants.¹¹

The increase in social conflict in China has drawn much attention from scholars engaged in social research.

Some scholars characterize the increase in social conflict as a “response to the change of state” (Y. Xie, 2008). According to them, the peasant protests, and the popular protests of Chinese citizens, has turned from “rightful resistance” to “resistance by law” (O'Brien & Li, 2006; J. Yu, 2010). Scholars have employed some of the concepts and theories of resistance and social movements to understand the resistance of peasants against state. The literature addresses everyday resistance (Yuhua Guo, 2002, 2007), relative deprivation, resource mobilization, and political opportunities (Demant, 2009; G. Wang, 2007). Research examining peasant resistance is relatively rich compared to that of labor protests. However, nearly all the research is conducted from the perspective of a “state-society” relationship and it generally argues for the rising of a civil society.

Research looking at resistance and social movements employs a broad cluster of social movement theory from the western social sciences, including concepts of relative deprivation, resource mobilization, political opportunity and, more recently, contentious politics. Its focus is, generally, on the causes of these actions, the means and resources behind them, and the expression of a “rising rights consciousness” or “rules consciousness” (Elizabeth J Perry, 2009). The primary conflict identified by these scholars is that between the state and the masses, regardless of cause, or social

¹⁰ <http://society.people.com.cn/n/2012/1218/c1008-19933666.html>

¹¹ http://finance.ifeng.com/a/20140225/11736968_0.shtml

participants.

Most of the research on social conflict is categorized according to its social impact and number of people involved. Although some research looks at social conflict on the basis of social groups, these groups are conceptualized as citizens without historical and social structural context. Furthermore, most of the research tends towards an emphasis on the institutionalization of these conflicts along the lines of a Durkheimian paradigm on collective action, as put forward by Samuel Huntington and Ted Gurr (Tilly, 1978,17).

While this research recognizes the relationship between sharp social change and social conflict in the form of collective action, it offers little insight into the nature of the social change. Some of it falls into the modernization model, where social conflict is seen as a necessary cost of modernization (Y. Xie, 2008).

In recent years, some scholars have employed a new paradigm of “contentious politics” as a way of examining social conflict and collective action in China (D. Huang, 2011; Y. Xie & Cao, 2009; Ying, 2011). But again, the focus of this research centers on the relationship between citizens and the state and tends towards “political reductionism” offering little insight into the relationship between collective action and social structure (Nilsen, 2009).

Some scholars propose that the social change that accompanied industrialization in China is a process of proletarianization and the formation of a new working class (Pun & Ren, 2008). It can be argued that, in order to achieve better understanding, it is necessary to “bring class back into the analysis of social change in China” (Shen, 2006) and to understand change from the perspective of capitalist transition (T.-P. Huang, 2006).

With the era of Chinese economic reform, social research has embraced an entirely different paradigm. The migrant workers were long understood, in the terms of the social mobility and social stratification theory, as the underprivileged group in the social strata. Only recently has there been a call to “bring class back in” (Shen, 2006). But it remains difficult for scholars to accept class as a valid paradigm, let alone a social force for change in society, in an environment where class discourse has been officially subsumed (Pun & Chan, 2008). More important, class analysis and the vocabulary of “class struggle” has become a taboo, both in the academic and the political area. It is apparent in the discourse that class (and class struggle) is denied and stigmatized. Even the language and analysis of exploitation was rendered as totally subjective. And referring such vocabulary is seen as restoration of the Cultural Revolution¹².

1.1.2 The State and Labor Struggle

The role of the state in the labor movement is considered as “the most important macro-causal focus.” The state appears as both an actor — with considerable variation in its degree of autonomy — and as an entity that shapes the motives, interests, strategies, and activities of other actors (Katznelson & Zolberg, 1986). The state is important in shaping different regimes of labor (Burawoy, 1985), as well as in shaping the struggle of workers’ in general. It cannot be ignored or neglected when considering labor struggles.

Chen looks at the role of state in shaping the western working class movement and also points out implications in contemporary China. According to Chen, there are two state regimes that shaped western working class regimes — absolute and liberal. Where the absolute regime is repressive by nature, the liberal regime is inclined to

¹²<http://www.21ccom.net/articles/gsbh/2013/0620/86025.html>;
http://blog.boxun.com/hero/200802/yelicao2222/3_1.shtml

compromise. Gary Marks points out that it was the repression of state (not capital as Marx argued) that gave the working class the appearance of homogeneity (F. Chen, 2009a). Chen also identified citizenship and the judicial system as important to the formation of the working class.

Chen also points out two important ways in which the Chinese state would influence the working class: First, by way of the state constitution, i.e., the structure of political power, the rights of its citizens, the relationship between local and central state, and the use of coercive power; and, second, by way of the labor institutions as they are determined by the regime, including the configuration of state and trade unions, the nature of labor rights, the motives and orientation of labor legislation, labor judicature and administration, the framework and procedure for collective disputes, and class discourse. He concludes that, in contemporary China, when the market economy commenced, the labor regime — which was used to control workers, especially workers' associations — was already in place (F. Chen, 2009a). The question is: What influence will the state exert on the labor struggle?

In research examining the Chinese state, the focus is primarily on three typical relationships, i.e., the relationship between the central state and local state, between the state and the market, and between the state and society. Theoretical propositions such as “local state corporatism,” “developmental state,” “predatory state,” to some extent explain certain aspects of the Chinese state in the market transition (N. Chen, 2006). These theories pay attention to some aspects of the state while ignoring some other aspects. Lee employs a dialectical perspective on the state which sees contradictions within different state imperatives. She insists that state power is not independent of but rather constituted through its engagement with social groups in their acquiescence and activism, and argues that this dialectic is triggered by contradictory state goals and policies (Lee, 2007) .

According to Lee, Chinese society in the past 30 years made a transition from a society based on a social contract to one based on a legal contract where the legal system that accompanied the economic reform is of vital importance. She sees the Chinese state as one of “decentralized authoritarianism” where two significant contradictions beset the Chinese regime: i.e., the contradiction between the imperative of the local state for accumulation and that of the central authority to impose law to and legitimate political authority. The contradiction lies in the need to maintain the political monopoly of the Communist Party and the binding authority of the law over state agents.

Lee concludes that the “decentralized authoritarianism” successfully built a “rule of law” hegemony which shaped the workers’ repertoire of struggle and established patterns of labor protest which she describes as “cellular activism” (Lee, 2007). She writes:

Looking ahead, radicalization and pacification of labor struggles are both possible... But there is another, opposite scenario of labor politics development. Better enforcement of the labor law or property rights may institutionalize and rationalize the resolution of labor conflict. This study has pointed to the potential for the legal system to channel collective mobilization into the relatively routinized, bureaucratic environment of the labor bureaus, the arbitration committees, and the courts. Legal consciousness may outgrow the illiberal legal system that engendered it, and disparate leaders of cellular mobilization may over time join forces in confronting a common opponent, and in the process overcome the unfavorable conditions that have kept them dispersed in the first place (Lee,2007,241-242).

Where Lee emphasizes the contradiction between the central and local state, G. Zheng explores the collusion between the local and central state in their not

implementing labor laws. He argues that the workers are pacified by the ideological at the central level and by the material at the local level (Zheng, 2010).

The scholars cited above look at ways in which the state pacifies the struggles of workers by way of the legal system, but other research indicates that the state represses labor protest selectively. H. Cai points out that, while the state tends to play the role of executor and supervisor of the law, when workers demand the bottom-line benefit, it then functions as mediator in the struggles for incremental benefit by workers. (Cai, 2010). Compared to the state in Vietnam, the Chinese state is more repressive of workers and sides to a greater extent with the employers. In Vietnam, the registration system, living arrangements, and government-sponsored trade unions are all more pro-worker than in China (Anita Chan & Wang, 2004).

Moreover, some research indicates a paradoxical phenomenon where the state-driven process in economic globalization is accompanied by a state-retreat process in the areas of social reproduction and social protection (Pun, Chi Chan, & Chan, 2009). As a result, the failure of the legal system leads to radicalization of the struggle of workers. In this process of radicalization, workers realize their class position and a cognitive liberation occurs, prompting workers to act unintentionally in class ways (Pun et al., 2009; Pun, Lu, & Zhang, 2012; Pun & Xu, 2011). Research on the struggles of construction workers suggests that workers, in uniting, are able to move beyond “cellular activism” but no detail is provided to show how the process of organizing would work.

The relationship between the state and the struggle in which workers are engaged can be summarized in two ways. On one hand, the directive to “use the law as your weapon” is to some extent empowering workers and the legal system becomes the territory where workers engage with the state. The Chinese state is now intentionally establishing a legal system to deal with labor struggles so thereby aims to pacify

labor conflicts. On the other hand, the effectiveness of the legal system in contending with legal activism is questionable. It can be said that the legal system as a means of empowerment has actually become a way of disempowering activism (Zheng, 2005). The territory where workers encounter the state cannot be confined to the legal system governing labor law. In reality, as workers struggle to improve their lot, they always encounter complex state apparatus, and so their lived experience of the way they are treated by the state is more complex.

This research will focus on the way in which workers' actions reveal the involvement of various state apparatuses, and the way in which the state treats workers in turn.

1.1.3 Subjectivity and the Working Class

And class happens when some men, as a result of common experiences (inherited or shared), feel and articulate the identity of their interests as between themselves, and as against other men whose interests are different from (and usually opposed to) theirs. The class experience is largely determined by the productive relations into which men are born — or enter involuntarily.

----(Edward Palmer Thompson, 1980)

Edward Palmer Thompson's understanding of class and class consciousness (above) has an important implication and at the same time poses a question. The implication is that class consciousness is a transformation from pre-existing cultural traditions, therefore it is not created, but refined (McNall, 1986). Scholars who came after Thompson explored worker actions in different cultural traditions re-examining the assumption that "workers all over the world, irrespective of their specific cultural past, experience 'capitalist production' in the same way" (Chakrabarty, 2000). They

found that workers from different cultural traditions developed different responses to their situation. For example, Korean workers lacking in the craft tradition developed specific class consciousness based on resentment (Koo, 2001).

In China, non-industrial relations are mainly based on kinship and regional identity. Scholars looking at the history of the Chinese labor movement note that these identities form the basis of both solidarity and division in the Chinese labor movement (Chesneaux, 1968; Hershatter, 1993; Honig, 1989, 1992b; Elisabeth J Perry, 1993). As the saying goes: “different workers engage in different politics.” Perry writes that

[a] host of studies has convincingly demonstrated that contradictions between men and women, old and young, northern and southern European, black and white Americans, or skilled and unskilled have prevented workers from exhibiting the class-conscious party allegiances or revolutionary behaviors that might otherwise be expected of them.... Chinese workers, no less than their European or American counterparts, have been deeply divided, yet fragmentation does not mean passivity. Despite (and, in large part, because of) important distinctions along lines of native-place origin, gender, and skill level, the Chinese working class has shown itself capable of influential political action (Elisabeth J Perry, 1993, 2).

For Perry, both the division and contradiction are so deeply rooted that it is difficult (if not impossible) to form an integrated working class. Perry shows that workers from different places, with different occupations, have different cultures and that, in as much as skill levels are also a social construction, these can all influence workers' actions greatly. Workers of different skill levels occupy different positions in the economic structure and may therefore differ in their political views as well. Perry, however, sees these divisions among workers as positive elements in labor politics.

Perry's research has been in academic fashion as a response to that of E.P. Thompson's research on labor history. As McQuaide noted that,

Stressing the once understated power of language, feminist historians have made much use of discourse theory to deconstruct and reinterpret basic social categories, such as skill and sexuality. In so doing, they seek to downplay the objective and material substance of these categories, claiming the decisive role played by social discourse. Thus, the "linguistic turn" in Western academic circles contributes to "a wholesale retreat from class" and suggests the growing skepticism with which many historians now regard historical materialism. (McQuaide, 2008).

Perry is not the only scholar doing Chinese labor history in this turn. Emily Honig emphasizes that the native place of origin [native-place] is important and must be taken more seriously when examining the structure of the labor market and motivations of the working classes (Honig, 1992b). She also looks at the phenomenon of the "created ethnicity" (Honig, 1989, 1992a, 1992b). In this dynamic, the division and fragmentation within workers, by both gender and birthplace, are emphasized as are traditional organizations such as gangs and other forms of cross-class alliance. These cross-class alliances are effective that the most effective organizing made use of existing alliances between workers (Hershatter, 1993). Here, the Chinese labor force is seen as always fragmented, divided by various identities that can cross-cut class and place of origin.

The importance of native-place is seen as an important characteristic of the Asian labor force (Elizabeth J Perry, 1996; Wigen, 1999).

These studies suggest the need to examine, throughout East Asia, the relationship between regional identity, labor, and ethnicity. Regionalism and native-place identity, as Eui-Young Yu argues, need to be taken more

seriously as structuring labor market and working classes.

Research examining the protest activities of contemporary workers indicates that created ethnicity is largely based on native-place differences. Created ethnicity has dual implications. On the one hand, ethnicity is open to exploitation if it is used to generate division among workers (and thereby to reinforce control — as in the “politics of difference;” alternatively, a “culture of solidarity” is formed when workers make use of their ethnicity to resist authority (Wen & Zhou, 2007). The native-place identity organizes the labor market and the labor process in the construction industry —a hegemonic labor regime in its own right (Shen, 2007). This Guanxi hegemonic regime produces loyalty and at the same time restricts discontent.

Where research has examined the impact of pre-industrial relations on the labor process and on the actions of workers, non-industrial relations are to a large extent seen as given and unchanging. In reality, the regional social network would well change in a different social space. Cai and Jia note that “this hegemonic regime was based on social relation as well as on the power of informal employment of the subcontractors” (Cai & Jia, 2009). Their research shows that it is power generated from the labor market that controls the labor process, not merely guanxi. Guang also found that the migrant workers generate new strategies and form bifurcated networks in informal sectors. He said,

What I found was that, while rural migrants do frequently socialize with their kinsmen and fellow villagers, they often part company at work and sometimes deliberately avoid village acquaintances on renovation projects...what I got in each case were two separate sketches of names of kin and fellow villagers, with whom the migrant shared an intimate social life; the other would include the names of some fellow villagers and kin

relations plus many out-of-county or province associates as workmates (Guang, 2005).

Such social relations can be reconstructed — bifurcated networks — to serve a need in this new social space and, to some extent, the labor process may be less sentimental than the researchers imagined, and more work-oriented. As Guang notes, “no amount of kin or native-place loyalty can hold a work team together if no job is available for its members” (Guang, 2005).

Other findings demonstrate that the impact of the social network on the labor regime changes under stressful conditions, contradicting the so-called “hegemonic regime:”

The non-commodified social relationships were gradually destroyed through the labor subcontracting system. When the problem of wage arrears became serious, conflicts between subcontractors and villagers occurred more frequently and their relationship worsened (Pun & Lu, 2009).

In a recent study of protest actions by construction workers, Pun and Lu (2010) found that the native-place identity was often exploited in the work place, but as workers moved to the stage of protesting their pay delivery, workers once divided by native-place differences become united. Pun and Lu do not, however, study the mechanism of the transformation and the conditions under which transformation could occur.

Studies clearly indicate that social-cultural traditions — whether they be based on social networks, gender, or regional identity — cannot be as unchanging. Rather, they must be seen as responsive to changing social conditions that prompt changes in social relations, especially conditions involving conflict.

1.1.4 Shortcomings in the Current Literature

1. A number of studies (D. Huang, 2011; Y. Xie & Cao, 2009; J. Yu, 2010a) on

collective action focus mainly on relations between workers and the state; they are lacking in their examination of interaction processes, and the nature of state and the worker conflicts.

2. Labor studies (C. K.-C. Chan, 2008; Lee, 1999, 2002, 2007; Leung & Pun, 2009; Silver, 2003) in China lack experience with the construction industry, especially in situations employing a flexible labor regime. The current research on construction workers (Pun et al., 2012; Qi, 2011; Shen, 2007; L. Wang, 2011) are lack of the process behind workers' actions, especially with respect to the formation of solidarity in the course of their struggles; the realization of cognitive liberation is not addressed.
3. Some studies (Anita Chan & Wang, 2004; F. Chen, 2003, 2009a, 2009b) take note of the organizing processes of workers, but they do so mainly from the perspective of union organization. Though illuminating, it is insufficient to consider labor politics simply in terms of union organization; new forms and possibilities must be emphasized equally.
4. A number of studies (Hershatter, 1993; Honig, 1992b; Elisabeth J Perry, 1993; Qi, 2011) emphasize social-cultural tradition in labor politics but overestimate and at times essentialize tradition which, in Thompson's view, sees the scholars as "people captive within their language."

1.2 Theoretical Framework

Social research on class and class formation has been controversial with respect to the problem of agency and structure. For a long time, class formation and class struggle has been understood in terms of economic determinism. Although Thompson avoids determinism and attempts to bring the subjective aspect back into focus, he has been criticized for seeing the making of the working class as a form of class consciousness. As Therborn notes, since "the capability of a given class depends not only upon its degree of self-identity, but also upon its concrete economic location and the organizational and power resources available to it"

(Therborn, 1983). McNall reviews the debate on the problem of agency and structure and concludes that “class is simultaneously structure, organization, and ideology” (McNall, 1986).

This research examines three aspects of class struggle: the class structure and those conflicts generated out of the mode of production; the power that workers construct through their protest actions; and, and the ideological power behind these actions.

1.2.1 Bring Back an Analysis of Capitalism to Collective Action Research

Social researchers often ignore some important social constituents, such as state and class in their research. Critiques often advocate the bringing back of “state” and “class” which suggests a paradigm shift in social research. It has been noted in some quarters that the ways in which capitalism shapes social movements has been increasingly ignored:

Over the last several decades, a perplexing development has occurred within the field of social movement studies. While capitalism has spread to nearly every corner of the globe, scholars who specialize in the study of social movements, especially in the United States, have increasingly ignored the ways in which capitalism shapes social movements (Barker, 2013,83).

Instead, in these last decades, students of social movements have been using the language of “political opportunity,” “political process,” and “contentious politics” which focuses on the “processes” and “mechanisms” of social movement. The study of collective action in China seems to follow its American counterpart, importing concepts and ignoring the tremendous social transformation Chinese society currently undergoing. In the name of market reform, the observation that China is undergoing capitalist transition is generally neglected, intentionally or unintentionally. It has been said that this focus on the process and mechanisms at

work in China's social movements are a form of "political reductionism" (Nilsen, 2009); it offer little insight into the relationship between collective action and social structure.

There has, only recently, been a call to bring class back into Chinese labor studies (Shen, 2006). However, the analysis is confined to a few studies and, even so, class tends to be treated as a single social dimension of society rather than a systematic driving force.

This research stresses the importance of bringing an analysis of the capitalist mode of production back to Chinese social research. That is to say, accounting for the struggles of workers must be grounded in the wider political economy. Both the state of capitalist development and the extent of its crisis should be taken into account.

1.2.2 Regime of Accumulation and Workers' Power

Economic conditions had first transformed the mass of the people of the country into workers. The combination of capital has created for this mass a common situation, common interests. This mass is thus already a class as against capital, but not yet for itself. In the struggle, of which we have noted only a few phases, this mass becomes united, and constitutes itself as a class for itself. The interests it defends become class interests. But the struggle of class against class is a political struggle (*Marx, Engels, & Lapides, 1990, 34*).

According to Marx, it is the accumulation of capital that firstly organizes workers. However, capitalist production does not organize workers in a simple way. Workers come from different backgrounds and occupy different positions. When people are transformed into workers they are simultaneously standing against capital. To satisfy their needs, they must use their power to struggle for unity. Uniting as a mass constitutes a class-in-itself.

Where then is the workers' power? According to Eric Olin Wright, he looks into two sources of workers' power: associational power and structural power. Associational power consists of "the various forms of power that result from the formation of collective organization of workers" (most importantly, trade unions and political parties). Structural power, in contrast, consists of the power that accrues to workers "simply from the location of workers within the economic system" (E.O.Wright, 2000)

Structural power can be divided into two subtypes — bargaining power in the marketplace and bargaining power in the workplace. Where marketplace bargaining power results "from tight labor markets," workplace bargaining power results from "the strategic location of a particular group of workers within a key industrial sector." Silver explains that workplace bargaining power "accrues to workers who are enmeshed in tightly integrated production processes, where a localized work stoppage in a key node can cause disruption on a much wider scale than the stoppage itself."

Lee, looking at Chinese labor issues, argues that "given the large labor supply, the prevalence of unskilled and low waged jobs, and the non-existence of independent unions, Chinese workers can hardly be described as having any marketplace, workplace, or associational bargaining power" (Lee, 2007). Chris Chan contests Lee's assertion. Based on his own empirical data, Chan argues that Chinese workers have rising marketplace bargaining power as evidenced by workers' confidence to quit (C. K.-C. Chan, 2008). However, while this may be the case in some industries, it is not the case in the construction industry. The construction workers' marketplace bargaining power is simply too weak — as workers say "It is difficult to find a three-legged toad but two-legged people are everywhere". Construction workers do have some context-specific marketplace bargaining power in certain situations. For

example, because the main workforce in the Beijing construction industry consists of workers from Henan and Hebei, some of whom will go home for the harvest in June, workers are able to organize “guerrilla work team” in this short period of time. Such “guerrilla work team” are able to receive daily wages, and with a wage level higher than those doing the same work in the same construction site. But the period only lasts for about two weeks.

As for workplace bargaining power, the workforce in the construction industry has been fragmented, so workplace bargaining power is generally weak. Different strategies are employed to gain workplace bargaining power, but since these strategies depend on “make stoppage” — the main source of workplace bargaining power — they are best understood as “derivative” workplace bargaining power.

As far as associational power goes, when it refers mainly to trade unions and party organization, it can be argued that construction workers have no associational power. Where some researchers focus on union reform and the ability of Chinese workers to form their own organization (F. Chen, 2003, 2009b; Wu, 2007), others view worker consciousness as embryonic trade union consciousness.¹³ Although unions are important for workers, it is not appropriate to focus on unions as the only form of associational power at this present time. This research, in contrast, will emphasize the process by which workers construct temporary associational power.

1.2.3 Workers’ Power

Katznelson and Zolberg have proposed a four-level model to describe the formulation of the working class: economic structure, way of life, disposition, and collective action. They see the contingent relationships between these different levels as the core concern of class formation. The model of workers’ power formulated by

¹³<http://www.forumarbeitswelten.de/themenbereiche/gewerkschaften/class-consciousness-of-migrant-workers-in-the-chinese-pearl-river-delta>

Eric Olin Wright focuses on the relationship between the structure of capitalist economy and collective action — the first and fourth level in the four-level model of class formation (Katznelson, 1986). Social consciousness and other social relations, the second and third level in this model, are ignored.

Silver points out that “there is not a strict correspondence between workers’ bargaining power and the actual use by workers of that power to struggle for better working and living conditions” (Silver, 2003). In this way, workers’ power is objective as well as subjective; it cannot be viewed as given and static, but rather as a constant process in the construction of associational power. Therefore, to better understand labor struggle, the way in which workers construct and use their power is also significant.

This research proposes two ways of understanding the ways in which workers construct their power. It will consider, the strategies that workers exploit to construct associational power and it will look at class consciousness. As Lebowitz noted that “Capital’ power rests in large part upon its continued ability to divide and separate workers – its ability to put workers into competition with each other, to turn difference into antagonism” (Lebowitz, 1992,184). By contrast, workers’ power rests in the ability of workers to unite and organize themselves as one. Internal dynamics within groups of workers — the difference of skill, native-place and so on — may influence workers’ power greatly. However, these differences do not necessarily produce antagonism. How workers overcome difference to construct their power through informal ways of organizing deserves examination.

On the other hand, workers’ consciousness represented and arose in the way of constructing their power. Rather than regarding certain rhetoric as the main indicator of class consciousness, this research will analyze class consciousness “based on actions, organizational capabilities, institutional arrangements, and the values that

arise within them” (Fantasia, 1989,11).

1.2.4 Media and Labor Struggle: Symbolic Power in China?

Chun’s study of informal labor’s struggles in South Korea and the United States, examines the ways in which workers with limited labor rights, or disadvantaged workers’ groups, exercise symbolic leverage to redefine the conditions of their employment. She argues that, when conventional forms of workers’ power have been severely eroded, such as the right to form unions and the capacity to strike, workers can still exercise potentially potent forms of leverage by drawing upon the contested arena of culture and engage in public debates about values. For workers located at the margins of the economy and society, this often entails drawing on recognized and legitimate forms of social injustice that have not only gained meaning and social influence during previous historical struggles but also continue to resonate in new historical settings. (Chun, 2009)

Chun recognizes that the symbolic power is at the root of workers’ power in the “contested arena of culture and public debates about values.” Traditionally, media provides an arena for ideological contest, and ideology enters significantly into the formation of class (McNall, 1986). The condition of the symbolic power requires examination; it resonates with the reality that construction workers in China have drawn much public attention. Does the explosion of coverage in the media provide one source of workers’ power in China? Moreover, can this coverage function as “struggle of classification” so as to redefine social relations? Therefore, the role of the media in workers’ struggle will be examined in this research.

1.3 The Research Approach

1.3.1 Methodological Clarification

It includes in its comprehension and affirmative recognition of the existing state of things, at the same time also, the recognition of the negation of that state, of its inevitable breaking up; because it regards every historically developed social form as in fluid movement, and therefore takes into account its transient nature not less than its momentary existence; because it lets nothing impose upon it, and is in its essence critical and revolutionary (Marx, Moore, Aveling, & Engels, 1954, 120).

This research is grounded in the Marxist tradition and thereby regards the social reality as a historically changing and imminently contradictory system. In this study, workers' struggle will be discussed with respect to the historical context of China's political and economic transition. The struggle of workers in the workplace is seen as a response to the exploitative social relationship, a negative force in the present regime of accumulation; workers' struggles will be understood in relation to the regime of accumulation — as a relation of the part to the whole. The regime of accumulation, and the trend of its possible transformation will also be examined.

This research employed the ethnographic method to collect data supplementing it with a review of documents. A historical perspective is employed here to analyze the content of the case studies.

1.3.2 The Ethnographic Journey

Qualitative researchers employ several methods for collecting empirical materials. These methods include interviewing, direct observation, the

analysis of artifacts, documents, cultural records, visual materials and the use of personal experience (Denzin & Lincoln, 2005, 25).

My journey to familiarize myself with the construction industry and the labor conditions of the workers in this industry started in 2009 when I was a student in Beijing finishing my master's degree. I became a volunteer for a worker center and an organizer of a student volunteer association providing social services for construction workers on construction sites located in different places in Beijing. I went to different construction sites with volunteers two to three times a week, going to workers' dormitories on the sites and sometimes organizing entertainment as well as training on labor law.

In 2010, I came to HK to begin my doctoral program of study; I returned to the field in May 2011 and remained through to the end of 2012. During this period of ethnographic research, I visited hundreds of workers in their dormitories, made friends with more than 30 workers, and spent time in 6 villages in Henan and Hebei province.

It is a journey to come to an understanding not only of construction workers' lives but also their struggles. Sometimes, when I visited workers in their dormitories, we talked about current controversial issues, their working conditions, their life history and their migration for employment. They would ask questions about the labor laws. Sometimes I would provide training sessions; other times I would organize entertainment. This process helped to build good relationships and it also helped me understand the labor regime of construction industry. It also allowed me to record some oral history along the way.

Conflicts on these construction sites occurred from time to time, so it was easy for me to encounter workers dissatisfied with their eating or living conditions, verdure

work, wage arrears, and work-related injuries. I heard many complaints about these issues and workers would naturally turn to me for help when facing difficulties (especially wage arrears and work-related injuries). Occasionally, when the workers called me, I would also go where they were carrying out workplace actions. In this way, I become a participant observer. Usually these actions would last for a few days, but some would last for a few months. Often, these actions took place on the construction site where the workers were employed, as well as targeting different sectors of local government; I accompanied workers to the labor arbitration committee and as well as to court.

A large part of my fieldwork was comprised of these experiences and the interviews that I conducted in the process — documenting their actions, their organizing processes, and their encounters with the companies and various government sectors. I documented their discussions and their worries. Because I could not get to every scene I relied on in-depth interviews, which were both necessary and complementary.

My informants are primarily construction workers but I have also interviewed some labor subcontractors. When I first went to see one labor subcontractor in his rented house, I also made the acquaintance of other labor subcontractors. In this way, I entered into a network of labor subcontractors who kept in touch with each other. The experience allowed me to understand how they acquired the subcontracting for the project, and the way they helped each other with the different parts of the labor subcontracting system.

By the time I finished my field work, I had collected the life histories of 40 workers and documented 15 cases of collective action; the labor subcontractors were involved with four of these cases.

It goes without saying that the journey to understand the struggle of construction workers goes beyond my fieldwork at these sites. The collective actions of construction workers are reported almost every day; most of these reports concern wage arrears and tragic accidents. I reviewed more than 150 reports, mainly from one website which collects news on migrant workers, and I choose three differing reports which I include as part of my ethnography.

1.3.3 Data Analysis

In order to explore the dialectical relationship between the regime of accumulation characterizing the current state of the construction industry, the workers' struggles within that industry, and way that these struggles are reported in this industry, three analytical strategies have been brought to bear here — historical analysis, case study comparison, and content analysis.

First, a historical perspective is necessary to the analysis of the political and economic transformation of the construction industry. The labor subcontracting system has long been seen as necessary to the construction industry on the basis of a number of so-called industrial characteristics. Therefore, an analysis of the transition of the Chinese construction industry will be set in the historical context of a changed political economy in order to demonstrate how the labor regime changed during the reform years.

Secondly, comparative case studies are employed here to illuminate workers' struggles in different conditions. The labor subcontracting system varies in form, and workers' actions consequently take on different forms under different employment relationships. To fully understand workers' struggles under the labor subcontracting system, multiple case analysis is necessary. Comparative studies are useful for highlighting the particularities of each case — making the agency of workers more

clear in different contexts and revealing patterns of organization in workers' struggles.

Thirdly, content analysis is used here to reveal the ideological underpinnings in the media coverage of workplace action. The way in which the struggle of workers is reported by the media is analyzed in order to reveal the social forces in place, and their role in interpreting and shaping the struggle of workers in the labor force in general. The aim is to contextualize events as they are reported and to explore the difference between the logic behind the struggles of workers and the actual reporting of their actions by the media.

1.3.4 Research Ethics and Reflection

I conducted this research both as a volunteer and as a researcher, and one may ask whether my participant role as an ethnographer influenced my objectivity as a researcher.

Did my dual role as a volunteer and as a researcher affect the research itself? Did I influence the way in which workers constructed their actions by following their activities and by providing information on labor law? The crucial point for me is that they made decisions, and they organized their actions. That they saw me as human and warmhearted may well have reinforced their realization that solidarity will positively influence the outcome of their actions.

I did give some attention to the situation of women workers on the construction sites, but I did not get much information on their specific interests. I will note one complaint, where a woman noted that, "the most ironic thing is the language of taking a bath. Sometimes, there is a bathroom, but it is dirty. Generally men take a

bath beside the pool, but women take a pail of water to wipe themselves. How can you say that is bath”?

There are inevitably ethical issues that arise with any ethnographic research. In my own research, I informed the workers of my identity as a researcher as well as a volunteer. I did not, however, lose sight of my core concern that is to shift the emphasis of “research *on* workers” to “research *for* workers”. Workers are purposeful human beings with the ability to change life conditions that not of their own choosing. The research attempts to make clear the aim and strategies of workers in the construction industry, and to describe the social impact of their actions on the system. This research follows the principles expressed below, i.e., it recognizes that the value in the relationship between the informer and the informant is in “answering back”:

We consciously reflect and criticize the neutral principle of traditional social science that the relationship between researchers and the researched should not be that of the acquirer of information and informant. Especially when conducting researches on migrant workers, the basic value orientation is to answer back their practical problem and plight (Pun, Lu, Zhang, 2012, 16).

Chapter 2. The Historical Formation of a New Mode of Production in the Construction Industry

Lao Zhang, a migrant worker from He Bei province, is now asking for his payment. He has been in the construction industry for more than 10 years. Recently, he became a subcontractor. In 2010 he got a project with the promise of ¥0.6 million profit on the condition that he must recruit workers and manage the production process.

The project finished in January 2012, but he did not get the project money — a situation that is currently not unusual in China. Lao Zhang was also accused of owing 5 million by the labor service company at the end of the project.

This is a common story in the reform era in China these days. There are millions of workers who are currently not getting paid. Lao Zhang blamed himself to some extent, seeing himself as opportunistic because he did not insist on a written contract with the labor service company, hoping that by avoiding the formality of such an arrangement, he would win the trust of the company.

It is said that the use of labor subcontracting system in construction industry was determined by the characteristics of this industry: the construction industry is localized, space is limited, projects are constrained by weather, the long-term nature of the production process, and the uncertainty of material supply(Applebaum, 1999) . In this chapter, I attempt to make sense of Lao Zhang's misfortune by linking it to

the mode of production characteristic of the construction industry. In so doing, I review the history and the reform of the construction industry in housing production with attention to the changing mode of production and the capital-labor relationship. I will also discuss the labor subcontracting system and assess the extent to which the system is the root cause of labor conflicts. I conclude with the argument that capital-labor contradictions and class conflicts are embedded in the new (or reformed) mode of production in the construction industry.

2.1 The Formation of a New Mode of Production

The reform of construction industry since 1978 has transformed the nature of the construction product from service to commodity, along with the mechanisms underlying the production of such commodity. As early as 1980 Deng Xiaoping, the paramount leader at the time, addressed leading comrades in the central committees with respect to the position of the construction industry, especially housing production in long-term planning. He pointed out that,

It was not without any reason that in most capitalist countries it was one of the three major pillars of the national economy. In the past we attached no importance to the construction industry and only regard it as a question of consumption. Housing units that we built naturally serve to improve people's livelihood. However, such a sector of producing consumers' goods should also be taken as an important industrial sector that would contribute to the development of production and an increase in income. The idea that the construction industry should run at losses should be changed. It is noteworthy that it could be an important industrial sector which could improve the national income and the state revenue. If this were not the case, it could not be explained why capitalist countries regard the construction industry as one of the three major pillars of the economy. For this reason, the construction industry should be given an important place in long-term

planning.

Focusing on the housing problem, Comrade Xiaoping said: a series of policies on urban housing construction and distribution need to be considered. Individual residents in cities and towns are allowed to either buy or build their housing. Not only new but also old housing units are allowed to be sold. Payment can be made in one lump sum or in installments over a period of ten or fifteen years. After the sale of housing units, rent has to be adjusted in line with housing prices to make people feel that it is worthwhile to buy housing units. No one would buy a housing unit when the rent is too low. Thus, we should study how to raise rents gradually. Rents for housing units in the downtown district or in out-of-the-way areas, in districts with and without good transportation services, and in the city proper and suburban areas should be differentiated. When rent is raised in the future, workers and staff members with low wages should be given an allowance. The above policies should be considered in line with each other. (Comrade Deng Xiaoping's Talk On the Construction Industry and Housing Problems, 1993)

Deng was called the chief designer of the Chinese reform. His remarks undoubtedly laid down the fundamental principles and direction for the reform. The remarks essentially concerned almost all the important aspects of reform in construction industry: its economic importance, housing reform, and payment (finance). As Yang Shen, the former Vice Minister of Construction recalled, people were keen to discuss the implication of Deng's "pillar" industry and the strategy concerning the commodification of housing¹⁴. They regarded Deng's remarks as "emperor's sword" that can be used as the highest command to hold their own opinion in spite of opposition.

¹⁴ http://www.chinajsb.cn/gb/content/2010-03/31/content_306192.htm

Apparently, Deng was keen to employ the capitalist strategy to change the construction industry as part of the whole reform plan. The process of the forming a new mode of production can be categorized into four parts, where each part underwent a different stage.

2.1.1 Let the Construction Enterprise Make Money

The construction industry after 1949 gradually became service industry where the housing in urban areas essentially formed part of the welfare system. At this time, production, distribution and consumption were mainly allocated by the state. In the reform era, this mode of production, seen to be a heavy burden for state industrial enterprises, was implicated for transformation.

The reform started as early as 1978 at which time some trials conducted. Four main steps were taken to reform the construction enterprise in the following years.

First, decentralization was proposed to strengthen the autonomy and the incentives for production. In 1978, a resolution of issues addressing the acceleration of the industrial economy by the Chinese Communist Party (CCP) central committee was announced. This resolution reaffirmed the role of enterprise as unit of production and emphasized that the strict mission of expanding the autonomy of industrial enterprise and allowing full creative scope to the initiatives. Later in 1979 the autonomy of these enterprises was extended to 10 aspect as indicated in a transient regulation issued by the state council.¹⁵ One of the provisions allowed enterprise to reserve profit in proportion with the industrial sector.

Secondly, profit retention was allowed, which meant that the construction enterprise

¹⁵ http://law.lawtime.cn/d552312557406_1_p2.html

would pay tax rather than turn all profits over to the state. In 1979, several enterprises were selected as a trial, paying taxes instead of handing over their profits. The trial tests places were enlarged in 1980 and in 1984, a new tax system was established. At this stage, loans replaced the allocation of state funds. These two important steps required that enterprise assume sole responsibility for profits and losses.

Thirdly, economic reform introduced the system of contract management. As the reform proceeded, the management of construction projects was put onto the agenda. In 1980, a World Bank project, Lubuge Hydropower in Yunnan Province, challenged socialist practices in the construction sector by way of adopting international competitive bidding for its work. Soon after, in 1981, Shenzhen Special Economic Zone was chosen to trial competitive bidding as a way of procuring resources. More than 90% of urban development and industrial projects used competitive or selective bidding. (Y.-J. Lu & P. Fox, 2001) With the practice of bidding, the subcontracting system in the construction industry re-emerged. In 1986, a regulation issued by the State Council applied the “contract responsibility” system nationwide to the managerial aspects of industrial enterprises. In 1987, State Council popularized the management system in place at Lubuge Hydropower to other places. The aim of this reform was to establish internal simulate market and make use of the project-centered management system, which characterized with the separation between management and labor service (J. Li, 2009).

The final economic reform of the construction industry was launched in the early 1990s when a comprehensive subcontracting system including the labor service subcontracting system was called to establish. And then in 1998, as the construction law, bidding law and contract law issued, a market economy was established in construction industry (J. Li, 2009).

In summary, the outcome of the economic reform of state industrial enterprises in

general was to make the construction industry independent and able to accumulate capital. Lu and Fox conclude that

Prior to 1984 most of the state owned construction companies were general construction companies executing all trades needed to complete a construction works. It was subsequently found that it is an inefficient industrial organization. A reform programme called ‘separation of management from field operations’ was launched in 1984. Some of the companies were reorganized as specialist companies, while the others are management-oriented. As a result, the construction enterprises now in China can be classified as general contracting companies, specialist companies and labor-only subcontractors and represent the majority of the construction enterprises in China (Y.-J. Lu & P. W. Fox, 2001).

2.1.2 Commodification of Labor Power through the Subcontracting System

Some scholars argue that labor subcontracting system used in construction industry is determined by the features of construction industry. However, history shows that labor relations in construction industry have changed dramatically in the past 100 years. And finally the labor subcontracting system the once abolished in the socialist period has once more surfaced in reform era.

2.1.2.1 Struggle to Abolish the Subcontracting System

The subcontracting system was essentially imported by way of western contractors following the Opium Wars (1840). Imitating a foreign contractor’s example, a Chinese construction firm, Yan Rui Tai, was formed in Shanghai in 1880 (Y.-J. Lu & P. Fox, 2001).

In the first half of 20th century, the subcontracting system was widely used in the transportation, mining, and construction industries (C. Wang, 1999). In the 1930s, in northwest China, construction workers participated in day-work and piece-work, both based on the subcontracting system. Day workers and piece workers labored long hours under Japanese supervisors and were generally exploited. Workers engaged in everyday resistance and staged strikes and demonstrations. In 1932, 800 construction workers went to Harbin to protest their wage arrears (X. Xie, 2003).

The Communist Party of China [CCP] saw this highly exploitative and feudal. As soon as the People's Republic of China [PRC] was established, a campaign to eliminate the feudal subcontracting system was launched, affecting the transportation, mining, and construction industries. As the labor contract system was abolished in these industries in 1950, the construction industry faced a similar situation. In April 1951, the Ministry of Labor moved to abolish the feudal and exploitative labor contract system in construction industry. This required building in a planned labor allocation mechanism which was in place by the end of 1953. The labor allocation system was established in 93 cities, two greater administrative areas, 5 provinces, and 19 municipalities. With these measures, a new system of labor allocation came into place which is the basis for establishment of a new labor system dominant of regular worker(Board, 1990). The feudal subcontracting system was finally abolished in 1958.

2.1.2.2 from Regular Worker to Temporary Worker

Regular workers increased rapidly after 1956, with the completion of the socialist transformation of industry and commerce. In 1957, 91.8% of the workers in state-owned industrial enterprises were regular workers. In September 1956, at the instigation of Liu Shaoqi, a commission was appointed by the Ministry of Labor to investigate the institutions and labor management practices common to the Soviet Union. On February 9, 1957, the commission reported back to the Ministry of Labor.

They recommended that a labor contract system be enforced, especially with respect to newly enrolled rural workers. Liu approved the suggestions. On April 23, 1957, the conference for labor allocation held by the Ministry of Labor promoted the labor contract system. After the conference, samples of labor contracts were circulated throughout the country. Sichuan was chosen as a trial to test the new method of contracting labor. In May 1958, at a political meeting of the CCP, Liu put forward a proposal that two labor-use systems (that of regular labor, and that of temporary labor) could co-exist.

The new labor use system was swiftly enforced throughout the entire country. By June 1965, the total amount of trial units exceeded 2,500, with 0.58 million peasant workers involved. In order to make use of temporary workers and reduce regular workers, in May 1965 a transient regulation to improve the use and management of temporary workers was issued by the state council. The regulation stated that the state would only control the total amount of wages, leaving the units to reduce regular workers and increase temporary workers rapidly in keeping with the limitation of workers numbers required by the state. In the Northeast Liao Ning province, the temporary workers increased from 0.158 million in 1964 to 0.287 million in 1966. The percentage of temporary workers increased from 4.9% in 1964 to 10.2% in 1966 (Board, 1990).

2.1.2.3 Rebellion of the Temporary Workers

The new labor use system was enforced quickly, resulting in deteriorating conditions for the temporary workers; they earned poor wages, had little or no social insurance, and poor access to welfare. As the new labor use system was enforced, labor issues increased.

In the initial stage of the Cultural Revolution, labor disputes among temporary

workers accounted for 40% of all labor disputes (Board, 1990). Soon after the beginning of the Cultural Revolution, in November 1966, a national contract workers and contemporary workers organization was set up. It declared that “our main mission is to change the contract and temporary labor system, eliminate the poisonous weeds anti-Mao thoughts.”

Prior to this, at the end of 1964, Fangyuan, later one of the leaders of this national organization and also a temporary construction worker at the time, wrote a paper addressing the system of temporary and contract labor. The paper, completed in December 1965, formed the theoretical basis of the national organization.¹⁶

By the end of 1966, the organization occupied the ACFTU and the Ministry of Labor. With a million temporary contract workers behind it. On 17 February 1967, a statement concerning the improvement of temporary, contract, peasant, and subcontracting workers brought attention to the unreasonable aspects of the two system of labor use. But, it was not until November 1971 that an announcement was issued outlining the reform of the system of temporary and rotating labor use. It advocated workers in occupations involved in annual production should be enrolled as permanent workers.

2.1.2.4 The Re-Establishment of the Subcontracting System

The commodification of labor power is at the core of the economic reform era in China. In its early stages, questions around the labor as a commodity were controversial when the labor market was to be established. However, practice went

¹⁶ Fang Yuan rejected the official statement which saw the national organization of temporary workers and contract workers to have been incited by Jiangqing. In contrast, Fang Yuan proposed it as the independent labor movement of the Chinese working class. See http://blog.boxun.com/hero/2007/zhongguogongdang/6_1.shtml

before theory. Even as it was debated by scholars, labor power had been commodified in the Special Economic Zone in Shen Zhen as early as in 1981(Meisner, 1996). In 1984, the State Council issued a document stating that “The state-owned construction and installation enterprises shall reduce the number of fixed workers gradually. In future they shall not, in principle, recruit any fixed workers except skilled operatives necessary to keep the enterprise technically operational.”

As a result of separating management from field operations in 1984, neither general contracting companies nor specialist companies directly employ a field workforce today. They simply employ labor-only subcontractors for field operations (Y.-J. Lu & P. Fox, 2001). The separation of management from field operation was popularized on a national scale in 1987 by the State Council, which reinforced the establishment of labor subcontracting system.

Accompanying this reform was the retreat of the urban labor force from the construction industry, and the entry of the migrant labor force. To this end, an administrative office was set up to recruit “organized” labor (instead of “casual”, individual labor) In 1989, 30 labor bases were set up by the Ministry of Construction in poor rural areas with the aim that “the base is the labor power recruiter of the enterprise. By these means, when a construction project requires workers, it is able to draw from an ever-present worker base, and when it is over, superfluous labor can be dispersed back to the base. In this way, construction projects do not need to pay workers over a long run and thus contribute to a vicious circle where labor is “used in the city, raised in countryside, coming when recruited, returning while fired” (H.-p. Zhu, 1997). The managers of urban contracting enterprises rack their brains to reduce the cost of their enterprise, while the migrant workers are seen merely as a means to make a profit.

The Beijing Incoming Construction Workforce Administration Office was set up in 1987. It is responsible for handling the applications of construction workers living outside Beijing hoping to enter the construction labor market in Beijing. It acts to register and license these workers, and to appraise their skills and qualifications. It acts as the intermediary between the major construction companies conducting business in Beijing and operates under the supervision of the Beijing Municipal Commission of Construction and the Incoming Construction Workforce Administration Office(Y.-J. Lu & P. Fox, 2001).

“Organized” labor refers to the labor force that is channeled by way of a mutual arrangement between sending and receiving government agencies, and is organized as labor-only subcontractors. In most cases, at least 90%, the main contractors and subcontractors hire their temporary labor through “labor subcontractors,” instead of employing temporary workers directly (Y.-J. Lu & P. Fox, 2001).

Evidently, in order to reduce the expense of labor management, urban governments tend to recruit “organized” labor, which has strengthened and reinforced the use of the labor subcontractor system. Those capable of organizing themselves as subcontractors helping to recruit labor and assisting in the management of the company.

Until now, the construction labor market has been highly organized through these labor-contractor networks, through which workers can sell their labor power. In this way, they combine their labor power with the means of production thereby producing surplus value (Shen, 2007).

On the global scale, since the 1970s, the organization of production also acts to separate management from field operation. A 2001 report from the International Labor Organization [ILO] indicated that labor subcontracting was commonly used in

developed countries such as the United States, as well as in developing countries such as Brazil and India (Chang, 2004). The control over labor shifted from direct control to deputized control (G. Xie, 1989). It needs to be emphasized that such changes are not natural, rather they are the result of capital-labor struggles, similar to those seen in the automobile industry (Silver, 2003).

2.1.3 Creating a Market for Construction Commodity through the Commodification of Housing¹⁷

The reform of the construction industry has largely transformed the production of housing into a commodity — one that requires selling as soon as possible to realize its exchange value. The housing reform was launched with this in mind, with three steps. The main task is to strengthen the motivation to buy a house, which means ensuring purchasing power, and transferring the subject of buying house from a work unit to an individual and thereby creating a market for the commodity housing. Strategies included raising rents and wages, housing subsidies and, the most important, preventing State-Owned Enterprises [SOEs] from buying houses for their employees.

Before the housing reform started on a national scale, a few experiments of commodity housing sales were conducted in Xi'an, Yantai and other cities. The first experiment with commodity housing sales had to be abandoned due to the constraints of demand (Y. P. Wang & Murie, 1996). The government realized that purchasing power was low in the urban housing market and tried a new scheme of subsidizing house purchases. In 1982, pilot housing commodification advanced, with an experiment in a few cities where households paid one-third of the market price

¹⁷ The construction industry includes more than housing production. This research takes housing production only as an example.

and the rest was paid one-third each by the state and danwei (or work unit) with which the prospective buyer was affiliated (J. Zhu, 2000). However, the buyers remain tied up with the work unit which subsidized the housing.

From 1980 to 1987, several experiments were carried out in selected areas to test the feasibility of various public housing reform measures such as rent adjustment and privatization of the existing stock (Y. P. Wang & Murie, 2000). In 1988, the Chinese central government issued an important document — the Implementation Plan for a Gradual Housing System Reform in Cities and Towns — which marked the beginning of a nationwide housing reform.

In 1988, the State Council Plan for Housing Reform in Urban Areas formally set guidelines for the reform of housing rental and the promotion of home ownership. Simultaneously, raising wages was recommended as a way of cashing out the housing in-kind remuneration to offset housing rental increases. A drive for privatization was also initiated to sell housing to those who could afford it. The so-called “commodity housing” was to be delivered by property developers rather than by government or danwei (J. Zhu, 2000).

However, housing continued to be allocated as a welfare good by the work unit, rather than a commodity traded on the private market. Public housing stock grew to an unprecedented level (Deng, Shen, & Wang, 2009). At the national level, there was a rush by many work units to sell housing to their employees at a lowest possible price. In 1993, central government realized that this cheap sale of public housing was a drain on public assets. Housing sales were consequently suspended throughout the country from late 1993 to the middle of 1994 (Y. P. Wang, 2001).

The second milestone came in 1994, when the Chinese central government issued The Decision on Deepening the Urban Housing Reform, which established a

comprehensive framework for the next stage of the housing reform. Within this framework, both supply-side and demand-side programs were created to facilitate the development of a housing market (Deng et al., 2009). On the demand side, a dual housing finance system was also established to combine both social saving and private saving (Y. P. Wang & Murie, 2000). Potential homebuyers would get subsidized mortgage loans through a compulsory housing saving program called Housing Provident Fund [HPF] as well as by applying for commercial mortgage loans offered by financial institutions.

Unfortunately, this did not happen easily. Immediately after the 1994 reform, the country saw the rapid growth of a professional housing development industry and an unprecedented housing construction boom. Yet instead of being sold to individual urban families, most of the housing units were purchased by work units, which then resold them at deeply discounted prices to their employees (Y. P. Wang & Murie, 1996).

These reforms have not managed to shift the housing system away from the work unit. There has been no decisive action to cut the links between housing provision and employment (Y. P. Wang, 2001). In 1998, the Chinese central government decided to take abrupt action to cut the link between work units and housing provision. Specifically, it issued A Notification from the State Council on Further Deepening the Reform of the Urban Housing System and Accelerating Housing Construction. This notice prohibited work units from building or buying new housing units for their employees. Instead, they would have to provide monetary subsidies to their employees to help them buy homes on the market. The 1998 reform was thus characterized as the monetization of the housing allocation system (Deng et al., 2009).

The impact of the housing reform in China cannot be overestimated. First, it is the

continuous reform of state-owned enterprises which aimed to transform the enterprises into making profit. As the 1998 reform cut the link between workers' housing and enterprise, the relationship between the employees and housing enterprises was mainly on the basis of contracted wage and social insurance. Secondly, housing reform is the inevitable outcome of the reform in the production of housing. If there was no market for the consumption of house, how would the surplus value of the construction commodity be realized? It turns what as formerly an employee entitlement into a commodity for private ownership (Lee, 2007). Soon after the reform, housing became one of the new “Three Big Mountains” of the Chinese people.¹⁸

2.1.4 Financial Support

Financial reform plays an important role in the overall reform of the construction industry. On the one hand, as the development company became the main project design and the bidding system established, financial support is necessary. On the other hand, the housing market requires financial support as the ownership and thus buyer is transferred from the work unit to individuals.

The welfare-oriented public housing distribution system was changed to a monetized one, with the Decision on Deepening the Urban Housing Reform issued in 1994, marking the beginning of marketization of house (Li, 2009). In the same year, as part of the housing reform package, the Chinese government started to introduce mortgage loans to home buyers nationwide, but banks were not comfortable with providing loans to individual households and often imposed strict restrictions on the initiation of a loan. Moreover, the loans had to be paid back in 5 years, and the first payment had to be no less than 30% (Deng et al., 2009). Consequently, the market-oriented housing finance channel, the commercial mortgage sector,

¹⁸ <http://gb.cri.cn/9083/2005/12/19/116@826819.htm>

developed slowly.

The turning point again came with the 1998 housing reform. Since work units were no longer allowed to build or purchase housing for their employees, most urban households had to buy housing directly from the market. In order to support this reform, a new mortgage system was established. The maximum mortgage term was also extended to 20 years. The relaxed lending standards, coupled with the strong housing demand prompted by the housing reform, have led to the unprecedented growth of the commercial mortgage sector. By 2005, China was the largest residential mortgage market in Asia, with an outstanding balance exceeding two trillion Yuan (USD 198 billion), almost 89 times the 1997 balance (Deng et al., 2009).

In conclusion, a new mode of production of housing, including production, distribution, and consumption has been formed. The reform of state-owned enterprises, not merely construction enterprises, has transformed the nature of construction enterprises from complete production units into management-oriented enterprises, with few professional, administrative, and clerical staff.

At the same time, most of the front-line labor force (permanent workers prior to the reform, have been transformed into an informally organized labor force. Therefore, the construction enterprise, controlled by a few managers and bureaucrats, has been separated from the workers. Labor power has, once again, been transformed into a commodity. By the late 1980s, when migrant workers from the rural area combined their labor with the changed means for production in construction industry – the nature of the construction company, the developing and management of project, and its distribution – they were already under different mode of production.

The value of any commodity is realized by way of its circulation through a consumer

market — in this case, financial reform and the reform of public housing policy promotes the circulation of housing as a commodity. It can be said that the reform of the construction industry and the commodification of housing is the epitome of Chinese economic reform. The underlying logic is the formation of a capitalist mode of production whereby production, circulation, and consumption are dominated by the imperative to accumulate capital.

2.2 Social Relations of Production

In contemporary China, the Neo-Classical model of economic growth has replaced the traditional Marxist political economy. As a result people are viewed as equal subjects in the market, and workers are essentially accused being responsible for their own plight on the basis of their individual capacity and the quality of their skills. This view hides the unequal relations of power rooted in the social relations of production. Wright describes the social relations of production as follows:

Any system of production requires the deployment of a range of assets or resources or factors of production: tools, machines, land, raw materials, labor power, skills, information, and so forth. This deployment can be described in technical terms as a production function — so many inputs of different kinds are combined in a specific process to produce an output of a specific kind. The deployment can also be described in social relational terms: the individual actors that participate in production have different kinds of rights and powers over the use of the inputs and over the results of their use. Rights and powers over resources, of course, are attributes of social relations, not descriptions of the relationship of people to things as such: to have rights and powers with respect to land defines one's social relationship to other people with respect to the use of the land and the appropriation of the fruits of using the land productively. The sum total of these rights and powers constitute the "social relations of production"

(Wright, 1999, 4).

According to Wright, class relations are inextricable from relations of production. The following section will address class relations in this new mode of production.

2.2.1 The Class Structure in the Mode of Production

After decades of reform, the production of construction commodities, especially housing, has been transformed from a centralized mode of production — which integrates planning, investment, employment, management, and allocation — to a multi-layer production system where these entities are separated to perform different tasks. While the former mode carried out the various tasks on the basis of an internal division of labor, the latter externalized this division of labor. This system of commodity production as it applies to the construction industry is described in the following simplified chart.¹⁹

The chart does not include some other important entities such as banks which

	Main Players	Role of Production	Owns/Pays	Gains	
Advance Capital ↑	Local Government	Supervision, Investment	Land, Power	Land-Transferring Fees, Tax	Price Squeeze ↓
	Property Developer	Land Project Design	Capital ; Financial Speculation	Profit from Selling, Property Speculation	
	Construction Company	Project Management	Qualification to Contract Project; Equipment; Raw Materials	Profit from Project Money;	
	Labor Service Company	Project Production	Qualification to Employ; Raw Materials	Profit from Project Money; Fees From Renting Qualification	
	Labor-Subcontractor	Organize	Recruit Workers; Living Allowance	Profit from Project Money, Wage	
	Migrant Workers	Field Operation	Labor Power	Wage	

provide financial and investment support or the millions of consumers who already are, or have the potential to be, “housing slaves” — but it does show the main players directly involved in the production process of the construction industry. Each of these entities provide a piece of the production factors, such as land, equipment, raw materials, money, labor power, and management. When these production factors are put into play they are transformed to purpose (and means) of making profit.

As with any capitalist mode of production, there are inherent contradictions.

The construction industry has successfully been the anticipated pillar of the Chinese economy under this new mode of production. It has also become an important financial resource for the government.²⁰ The land transfer fees reached more than ¥3.15 trillion in 2001. The total amount of land transfer fees is ¥12.75 trillion from 1999 to 2011.²¹ This has also been called land finance, which has recently become controversial. However, it is not the aim here to assess the system of land finance; rather, it is important to illuminate the role of the state in both the production process and the process of labor disputes.

The developer is responsible for buying land, designing the project, and finally selling the housing. After purchasing the land, the property developer controls the land, chooses the contractor through a bidding procedure, and has the right to sell the housing. By the end of 2004, the number of property development enterprises has risen to 590,000 — an extraordinarily large interest group appropriating profits and influencing public policy. Some economists have even advocated calling off the property developers.²² Capital from overseas has also contributed to investment in the construction enterprise.

²⁰Land reform in the late 1980s and the 1990 provisional ordinance is also important reform step, which allowed the urban authorities to acquire and sell land-use rights to developers (Y. P. Wang & Murie, 1999).

²¹ <http://politics.people.com.cn/GB/1026/17206572.html>

²² <http://finance.people.com.cn/GB/1038/4312400.html>

The developer and the construction company is related by way of the mechanism of bidding for a construction contract. As early as 1981, the Shenzhen Special Economic Zone was chosen to trial competitive bidding for the procurement of resources. Now, more than 90% of urban development and industrial projects use competitive or selective bidding (Y.-J. Lu & P. Fox, 2001).

As discussed above, after the late 1980s, management was separated from field operation and the labor service company²³ was created to provide labor power. The labor service company, on the basis of its legal status, can subcontract the project from the construction company. However, the labor service company does not employ workers either. In fact, they just re-sell labor power. Sometimes, the labor service company is able to make a profit merely by renting the qualification to the private subcontractor. In this event, the multi-layered system becomes even more complicated.

These agents (local government, developer, construction company, and labor service company) are primary executors of capital accumulation in the sense that they control some of the means of production: they deploy the land, the operational qualifications, and the equipment;²⁴ they buy (indirectly, in the present mode of production) the labor power, direct the process by which all these means of production are used to produce housing, and they appropriate profits from the use to which these means of production are put.

²³ Actually, the labor service company was a mistaken concept. In the debates on whether labor can be seen as commodity in a planned socialist economy, in order to avoid using the concept of labor power (seen as capitalist concept), some theorists came up with the term “labor service.” However, what the company actually buys is labor power, the potential to provide work, not the work itself. Hu Ruixin defines construction labor service as the commoditized form of construction labor power (H.-p. Zhu, 1997).

²⁴ A capitalist is not someone who simply owns machines, but someone who owns machines, deploys those machines in a production process, hires owners of labor power to use them, directs the process by which the machines are used to produce things, and appropriates the profits from the use of those machines. (E.O. Wright, 1999)

Class structure within all these agents is ignored here in this research. When people of these agents interact directly with the construction workers (the direct producers), they represent, as managers, the accumulation of capital regardless of their own location in the class structure. In short, when anyone employed by these agents interacts with a construction worker in the name of a particular enterprise, they act as executives of capital accumulation. Therefore, they are all regarded by construction workers as representatives of the capitalist class.

The fact that they are seen as representatives of the capitalist class does not mean that they can maintain harmonious relationships with each other. In reality, each agent represents a different type of capital. As the real estate bubble increased in recent years,²⁵ the central government tends now to more tightly control the industry. This has intensified the relationship between the state and the developers. At the same time, the government (local and central) has always used industry to stimulate the economy and to increase employment.

Competitiveness must also be taken into account. The bidding system limits the distribution of profits between developers and construction companies — and between construction companies and labor service companies (or labor supply companies). The fact that labor service companies organize the workers to demand project money from time to time also indicates a crisis in the system of production.²⁶ As the project money flows from top to the bottom of the production system, the price squeezing became the top-down mechanism. It is the migrant workers, as occupying the bottom layer, who are hired in a process directed by the representatives of the capitalist class, who in turn use this labor power to produce housing commodity.

²⁵ http://news.xinhuanet.com/comments/2006-07/17/content_4843520.htm

²⁶ <http://news.sina.com.cn/o/2013-01-30/074426156890.shtml>

There are about 40 million construction workers in China, and most of them are organized through labor subcontractors. The labor service company subcontracts a construction project to various labor subcontractors. Then, it is the labor subcontractors who recruit and organize the workers. In the most cases, there are several layers of subcontractors operating between the labor service company and the labor subcontractors. Those in the middle make money by subcontracting not by producing.²⁷

Everyday production on the construction site involves these key agents: the construction company, the labor service company, labor subcontractors, and the workers. The property developers are like invisible hands manipulating the price, the flow of project money, the process of construction, and many other aspects of the project. The labor subcontractors are generally not in the front lines of production. They will choose those workers who are sufficiently skilled and have the appropriate authority to be the foremen. These foremen then help the labor supply subcontractor record the workers' hours, divide the work load, and offer technical support. The workers often make only verbal contracts with the labor supply subcontractors with respect to their wages before they are sent to the construction site.

As noted above, project money flows from the top down. This means that project money does not always go to the labor supply subcontractor in time. One of the most important responsibilities of the labor subcontractor, therefore, is to provide advance funds to cover the living allowance for the workers and sometimes also for material supplies. This is the micro basis of source of disputes in this production process. The workers sometimes only get paid after they finish the project or at the end of the year (if the project is unfinished). Here comes another important mechanism of the whole production system: advance funds through the layers in a bottom-up direction, with

²⁷ The same thing happens between the construction company and the labor service company.

the workers also advancing their several-month wages.

This mechanism of advancing funds to kick-start the system of production puts both the workers as well as the labor subcontractors at a high level of risk — risk that is not borne by the construction company itself. Consider, too, that many developers are also brokers.²⁸ Numerous labor disputes have come about because of this dynamic: on the one hand, the system needs labor subcontractors to recruit “organized” labor, so the labor subcontractors are essential, especially to the labor service company. On the other hand, when the workers are not able to get their wages, either at the end of the year or after completing the project, the labor subcontractors are similarly not able to mobilize the advance funds to make the system work smoothly. The location of the labor subcontractors in the system of production will be discussed below.

2.2.2 Labor Subcontractors:²⁹ A Contradictory Location

It would be accurate to see the labor subcontracting system itself comprising the entire mode of production for housing commodities in construction industry. The labor subcontractors are regarded as core role of this system.(Pun and Lu, 2010)However, while the labor subcontractors are generally regarded as merely functional, as the scapegoat of the system, I will argue that the subcontractors are active agents occupying a contradictory location in the class structure.

Labor subcontractors have been at the center of public attention for some time. At times they are even blamed as being the source for the problem of wage arrears and are often accused having no conscience. Yet, they also perform the role of

²⁸ <http://finance.people.com.cn/GB/1038/4312400.html> Since some developers are brokers, the economist advocated to discard the developers.

²⁹ Labor subcontractor in this research refers to the subcontractors who really recruit, organize workers to produce.

go-between, connecting the workers with the labor service companies. They are called boss by the workers because they organize and pay the workers. Such different attitudes reflect the contradictory location in the class structure of the industry.

On the one hand, in this transformed mode of production now characteristic of construction industry, the labor subcontractor is the only one recruiting workers from the rural areas. Labor subcontractors provide the “organized labor” for production and, in so doing, are central to this mode of production. Yet, they also invest in the production process by supplying the workers with a living allowance, as well as providing funds towards their tools and, to some extent, covering the cost of their injuries.

On the other hand, they are highly dependent on the workers. The labor subcontractors know very well that it is the workers who allow them to realize their role as employers and it is the workers who are the source of their profits. Workers can always offer their labor power to other subcontractors. Labor subcontractor would simply revert to working as migrant workers themselves if they couldn’t find willing workers. They occupy a difficult position and it behooves them to stand with the workers.

It is this contradictory location that puts the labor subcontractors at risk. Too often, they cannot mobilize capital from the construction project, i.e., coming by way of the upper-level subcontractor or the labor service company (for advance funds for wages etc.), never mind realize their own profit margin. In these instances, workers will simply not get their wages and struggles ensue for arrear wages which are now widely reported in the media. In this event, the labor subcontractor stands with the workers to fight for the project money in the name of wages arrears.

However, labor subcontractors do not always stand with the workers. It depends primarily on the relation between the grass-roots subcontractor and the labor service company, as well as the relation between labor subcontractor and workers. If relations between the grass-roots subcontractor and the labor service company is good, or if the labor subcontractor regards this relationship as important, then the labor subcontractor will attempt to stop the workers, or will at least not join the workers in their protest. This strategy, of course, will lose the trust of the workers. The labor subcontractor can also opt to pay the workers in advance and then acquire the project money from the labor service company thereby winning the trust of the workers. In either situation, the labor subcontractor takes the risk of losing the project money if the labor service company does not pay.

In the event that labor subcontractors regard the relationship with workers as being more important, they will stand with the workers and sometimes organize their actions for wage arrears. In these situations, labor subcontractors are obliged to demand funds over and above the workers' wages in order to factor in the project funds for the grass-roots subcontractor.

As an example, in 2010 Lao Zhang found himself in the latter situation. He was awarded a project by a Huadu construction company on the basis of his projected costs at ¥187 per square meter. However, he did not sign a contract until May 2011, half a year after the project was already underway. During this period, Zhang attempted to raise his price due to the cost of inflation over those months, which the contractors had in fact promised, but without having provided a written contract. He blamed himself for having been opportunistic, making use of an opportunity to show his loyalty for the company by taking their word for the arrangement without exacting a formal agreement. In the outcome, he lost a great deal of money because another subcontractor (Li) bid ¥220 per square meter for the above-ground portion and ¥320 per square meter for the below-ground portion.

During the six months of construction, Zhang provided some of the workers their living allowance and their material fees (¥1.3 million), fees for work injuries (¥1.06 million), arrear wages (¥0.25 million), and the profits promised to Zhang (¥0.6 million). In all, the dispute derives from the ¥3.75 million, without having received from the construction company.

On January 8th 2012, the manager of the Huadu company took the position that just the workers' wages would be paid before the spring festival, while the advance funds and the promised profit would only be paid following the Chinese New Year. Zhang and another subcontractor (Li) negotiated with the managers of the Yancheng and Huadu Company, in the presence of more than 10 policeman and 20 workers. After a two day-and-night negotiation, they reached a verbal agreement that included seven items:

1. The construction was deemed to be complete, and the work team was not to come back to Beijing to finish the project in the next year.
2. All the workers' wages were to be paid before the spring festival.
3. Fees for workers' injuries, ¥1.06 million, would be paid by the Huadu Company.
4. The fees the team provided during the work, ¥1.3 million, would be paid before spring festival.
5. The Huadu company had promised ¥0.6 million profit, ¥0.1 million of which was to be paid before the spring festival.
6. The Huadu company would pay back all the living allowance fees to Zhang.
7. The fees for the machines for the 9th building, ¥0.05 million, would be paid by the Huadu company.

It seemed at the outset that Zhang won the dispute. However, the agreement was not executed accordingly. In March 2012, some of the workers sued via the labor dispute arbitration committee and were able to negotiate another agreement through the

committee which was not executed until May 19, 2012.

On September 4, 2012, Zhang and other 4 workers were attacked by 30 employees of the Huadu company when they went to ask the company to honor the agreement. One of the workers was badly injured. On September 6, 2012, more than 50 workers went to the district government and were awarded only ¥90 thousand. Items 2-7 from the above agreement were not executed until very recently.

This is not the first time Lao Zhang encountered this kind of situation since he became a labor subcontractor in 1998. What was more shocking this time was that Lao Zhang was sued by the Huadu company and was required to appear in court on November 29, 2012. The Huadu company charged him with ¥5.7 million for material losses worth more than ¥2 million, and ¥3 million claimed to have been overpaid to the workers. This left Zhang in a difficult position. He had organized more than 500 workers for the project and was left on his own after most of the workers get paid.

This is a widespread dilemma, and one that is inherent to this system of production. The company needs subcontractors to do the recruiting, manage the workers, and ultimately to carry out the construction. The company also requires the subcontractors to advance an appropriate living allowance to the workers. Yet both subcontractors and workers are poorly protected from financial risk. Some believe that removing the labor subcontractor from the equation would solve this problem and resolve the contradictions in the system. As profits are squeezed out of these construction projects, and the struggle of workers for fair working arrangement intensifies, some labor subcontractors may gradually transform their role into front-workers or foremen. Abolishing this middle-man position may eventually come about, but it could be argued that the conflict will simply shift to another battle field.

2.2.3 The Main Source of Labor Disputes at the Present Stage

Class conflict is the expression of this kind of contradiction in any capitalist mode of production. However, each particular mode of production will produce certain labor disputes in different stages. At present, the main labor disputes concern wage arrears and compensation for industrial injury.

In the past ten years, Chinese society has witnessed a continuous anti-wage arrears campaign led by government agencies at different levels. Paradoxically, it seems wage arrears cannot be simply eliminated. Simple explanations focus on either the labor subcontracting system, or corruption at the level of the local state, when in reality the blame does not rest with either party.

The case discussed above reveals that more and more labor subcontractors, labor service companies, and even construction companies, have joined the ranks of those demanding their project funds.³⁰ This should direct our attention to China's real estate "bubble." Following the 1998 financial reform, real estate has become more and more financialized and, as a result, expanded rapidly. The growth rate of fixed investment in real estate increased to 21.5% in 2000, 30.3% in 2003, 29.6% in 2004, and 33% in 2005 in the Midwest area. Yet, the globally acknowledged proportion of the investment in real estate to the total investment in fixed assets is less than 10%. Meanwhile, in China, the proportion increased steadily since 1998. It reached 18.7% in 2004, 20.98 in 2005, and 22.93% in the first four months of 2006 — exceeding the international warning line. As the same time, the internationally recognized proportion of investment in real estate to GDP is less than 5%, but in China it reached 9.6% in 2004; in some cities it even reached 50%.³¹

³⁰ <http://ks.house.sina.com.cn/news/2014-01-28/08413904178.shtml> it is not hard to find such cases

³¹ <http://finance.sina.com.cn/roll/20060614/0922744402.shtml>

The impulse to accumulate generates blind expansion which in turn triggers a shortage in the chain of capital. Financing and land are the lifeline of real estate (Pun, 2012). Supported by government, especially local government, the bubble in real estate got bigger and bigger; and, more and more analysts and economists predict the bubble is going to burst in the near future.³²

It appears that wage arrears in construction industry is the result of this blind expansion in the real estate industry. The labor subcontracting system is often identified as being root cause of wage arrears. However, the entire system has to be taken into account—including workers, labor subcontractors, labor service companies, construction companies, developers, let alone the system of cash advances. It is simply not clear that the cause lays with labor subcontracting system. The labor subcontracting system alone does not necessarily generate the cash-advance and wage-arrear dynamic. The history of the recovery of labor subcontracting system clearly indicates that it is used for organizing labor force in a flexible way. The factors that force the labor subcontracting system to function as a system for advancing funds is due to shortages in the chain of capital, which are in turn caused by blind expansion.

What then is the role of the labor subcontracting system in generating wage arrears? To answer this question, the nature of wage arrears must first be examined. Wage arrears in the construction industry is such a particular phenomenon that even Marx never gave it any thought. Marx referred to the capitalist tradition of paying the worker after work had been completed, albeit at more regular intervals:

In every country in which the capitalist mode of production reigns, it is the custom not to pay for labor-power before it has been exercised for the

³² <http://xieguozhong.blog.sohu.com/300565088.html>
http://house.ifeng.com/news/view/detail_2014_01/22/33230738_0.shtml
<http://stock.sohu.com/s2013/caijin27/>

period fixed by the contract, as for example, the end of each week. In all cases, therefore, the use-value of the labor-power is advanced to the capitalist: the laborer allows the buyer to consume it before he receives payment of the price; he everywhere gives credit to the capitalist (Marx et al., 1954, 120).

It is important to note his observation that this arrangement, where “the laborer allows the buyer to consume it before he receives payment of the price,” is common to every capitalist mode of production. In a sense, wage arrears is an example of “allowing the buyer to consume it before receiving payment of the price.” The universality of payment in capitalist mode of production does not deny its individuality.

There are several features in the process used to pay wages that are specific to wage arrears in the Chinese construction industry. To start with, the period usually fixed by way of a verbal agreement between workers and labor subcontractors is either three months, at the completion of the project, or even at the end of the year. The reason that the fixed period in the verbal agreement is generally longer than a month has to do with the unfinished proletarianization status of migrant workers who set the wage-earning period in keeping with time set aside for agricultural harvest. And the reproduction arranged in rural areas allows them to collect payment so late. This arrangement is based on trust between workers and labor subcontractors and allows the worker to “give credit” to the subcontractor over a longer period. Unfortunately, the system tends to consume labor power, where workers are often not even paid by the end of the year — an arrangement that does not honor the expectations of the workers for fair credit.

In a capitalist system, according to Marx, the limits of a working day are

constrained, both physically and morally. The “normal” working day, in a capitalist system, is historically the outcome of workers’ struggles. In China, the question of how much time can elapse before a worker is paid also implies there are limits. The limit is primarily social. Workers’ expectations for elapse time before being paid is influenced by the extent of their proletarianization. Yet, when they actually get paid depends on their power. Workers in different places in the continuum of proletarianization have different expectation for when they are to be paid. For example, in June and September more workers from the north, mainly Henan, Hebei, Shandong, Anhui, demand their wages. However, workers from the south, or those with little land, demand their wages at the end of the year and the payment pattern of their wages has little seasonal features. The extent to which workers are paid on time, according to their expectations, depends primarily on the success of their struggle.

When the nature of wage arrears is clear, the role of the labor subcontracting system is also clear. The labor subcontracting system can function to exploit the trust between workers and labor subcontractors, forcing the workers to give a relatively longer period of credit to the company before receiving their wages. This has been identified as *guanxi* hegemony. It can also function to weaken the power of workers (described above). In this case, the labor subcontractor is constructed as a scapegoat.

In summary, wage arrears is the result of a causal chain. It begins with the blind expansion of financial capital which in turn causes the shortage of capital. The shortage of capital then triggers the system of the cash advancement which results wage arrears and, not infrequently, unpaid project money. The essence is that the contract in the construction production system cannot be implemented in time due to the blind expansion of financial capital, which leads to contradiction in this system.

The extent to which compensation of injuries is paid depends primarily on the workers' power. Injury is essentially damage to labor power and is therefore different from wage arrears, though compensation for injuries and compensation for labor in the form of wages both depend on workers' power.

2.3 Conclusion

The aim of the Chinese reform has often been described as the establishment of a socialist market economy. When Deng put an end to this controversy in the 1990s, public debate over the nature of market economy became a rare occurrence.

The transformation of the mode of production employed by the construction industry, and other state-owned industries, is a central feature of Chinese economic reform. These enterprises can be seen to operate in a capitalist fashion, i.e., with an emphasis on the accumulation of capital based on the exploitation of labor.

This research examines the specific organization of production in the Chinese construction industry. Silver describes the subcontracting system in the Japanese automobile industry as one of relocating the "lower tiers":

This relocation of the lower tiers of the Japanese subcontracting system to lower-income countries endowed with large reserves of cheap labor has enabled Japanese automakers to reproduce their competitiveness in global markets, while retaining the loyalty of their core labor force (Silver, 2003).

It seems that the organization of production in the construction industry in China experienced a similar transition. However, rather than relocating the lower and higher tiers of a multi-layered subcontracting system in separate countries, the construction industry achieved this effect in its own country. This multi-layer production organization, transformed from the integrated organization, has to a large

extent reduced the associational power of the workers. This model of organizing the system of production in the construction industry greatly reduces any job security workers might hope to have, such as a pension; it reduces the value of the wage to one of a daily wage. This model also reflects an “organization fix” rather than “spatial fix” of capital with “transaction cost theory” as its ideology.

Economists tend to promise that the market economy will bring free choices, yet workers in this mode of production are free only in so far as they can freely sell their labor power, even in the absence of a written contract. However, the lives in both production and reproduction field was dominated by the invisible hand to accumulate capital. The state socialism was described as totality which controls the lives of people, since their job security, wage, and social welfare are dependent on the enterprise planned by the state. In the aftermath of Chinese economic reform, the invisible hand exerted its power as new totality to those depending on nothing but their labor power, but this time, the totality did not even promise job security, wage and social welfare.

As the new mode of production was established, the construction industry soon did become a pillar of the economy. Commodity housing has been hitched to the engine of national economy as well as local finance. During the financial crises of 1997 and 2008, investment and consumption in the construction sector was used to stimulate the economy and ease these crises. Paradoxically, government needs to cool the industry so as to ensure the bubble not be broken while increasing investment to ensure continuity in employment. Furthermore, the new mode of production cannot avoid intense capital-labor contradiction. According to my fieldwork, labor disputes increased in the first half of 2012 because most of the workers were held up on the construction site without work or pay due to interruptions in the flow of capital.

The capitalist mode of production not only produces surplus in the way of capital

accumulation, but it also generates and exacerbates class conflicts. The construction worker, as with any other sector of the working class, is not only the bearer of relations of oppression, but is also an active agent the possibility of the transform of these relations.

Chapter 3. The Plight of Informal Labor Action

On January 11, 2013, Sun Chenliang, a worker from Henan, climbed the tower crane on a construction site in Shandong to protest his wage arrears. Sun was an electrician on the construction site. Earlier that day he and his fellow workers approached the project department on the construction site to demand their wage arrears without success. Sun got angry, climbed the tower crane to protest and accidentally fell to his death.³³

Climbing a tower crane has become an action used by migrant workers to protest wage arrears, especially by those in the construction industry. Sun was among hundreds of workers who have climbed cranes to represent their interests. According to a lawyer interviewed at the time, migrant workers “should” learn how to protect their rights in more rational ways. He advised workers to use legal procedures and labor arbitration to settle their issues and thus avoid such extreme action. It seems at the same time that the government should assume its full share of responsibility and protect workers by establishing wage margins for migrant workers and blacklisting the enterprises that violate the rights of workers.

There have been many instances of “extreme” struggles over the years in China. Chinese people are both critical of these struggles and prepared to give suggestions for improvement. The most common sentiment with respect to dispute resolution favors raising legal awareness and improving the legal environment. Prior to the tragedy of the worker falling to his death in 2013, labor law had been established for

³³ <http://news.qq.com/a/20130118/001297.htm>

18 years, labor contract law for 5 years, and labor dispute arbitration law for 5 years. Wage margins (*Gongzi Baozheng Jin*) for migrant workers, and a mechanism to blacklist enterprises that did not comply with the laws has been hailed in recent years at the national level as a solution.

Other popular reactions to such incidents favor psychological explanations. Migrant workers are characterized as irrational, poorly educated, emotional, and psychologically weak. These explanations seemed to reach their peak in China when a number of workers at Foxconn committing suicide over a continuous period of time through 2010.³⁴

Furthermore, this kind of behavior has also been deemed to be characteristic of the Chinese culture, even though it is as much in evidence elsewhere. Jun Taeil, a worker from South Korea, committed suicide by burning himself in 1970 to protest the violation of labor law by many small cloth manufacturing sweatshops. This action marked the beginning of a new democratic labor movement in South Korea. More than 30 years later, in 2003, three labor leaders from South Korea committed suicide to protest the repression of the labor movement.³⁵

Why do workers struggle in such a seemingly “extreme” style? How do we come to understand these actions? Although these deaths underscore the extremities workers experience in the course of protecting their interests, they are only part of the story. In most of the cases, the struggle is more widespread and complex. These “extreme” expressions of this wider struggle have to be seen as a last resort when “rational” means are seen to have failed. What both legal and psychological explanations ignore is the overall power structure behind workers’ actions. And scholars may well take for granted the structure within which workers are located.

³⁴<http://www.chinahush.com/2010/05/12/why-do-foxconn-employees-keep-jumping-off-buildings/>

³⁵ <http://www.solidarity-us.org/site/node/406>

3.1 Weakened Power of Construction Workers

Individual workers such as Sun confronted the plight of construction workers in general rather than confronting his own. That this is a common plight which transcends national boundaries is also exemplified in the South Korean incidents. Workers' protests in South Korea made a transition from militant struggles in the 1980s (Koo, 2001) to the struggles engaging symbolic power in the 2000s (Chun, 2009). This transition is parallel to the strategic transition of the organization of production that came with the globalization of capitalism. In China, the transition of the organization of production to the informalization, though based on a different logic, leads to the same consequences.

Erik Olin Wright once described two kinds of working class power, associational power and structural power (Wright, 2000). Where the former lies in the organizational striving of workers, the latter depends on the organization of production or, as Silver notes "the tightly integrated production processes" (Silver, 2003).

As noted above, the Chinese construction industry has undergone a complete organizational fix which has resulted in the subcontracting of labor force. This re-organization of the means of production has three important implications for the power of workers.

First, the loosely integrated production process weakened workers' workplace power. The component parts of a construction project are subcontracted to numerous layers where every labor subcontractor is only required to complete a small component of project. This means that the production process now characteristic of the construction industry is both loosely integrated and highly segmented (rather than

tightly integrated), leaving very few occupations in the production process with any strategic power (such as the tower crane driver). The workers with strategic power are employed under another arrangement and are paid by the month. In general, however, the bargaining power of workers' is weakened to a large extent.

Additionally, the segmented nature of the organization of this labor force — where workers are organized in teams — weakens the associational power of the workers. Each work team has a different wage agreement and living allowance arrangement; and, different work team belong to different labor service companies. This makes it difficult for workers to organize in a large scale, though they share common interests such as working conditions, working hours, social insurance and living conditions. This arrangement weakens the structural power at the point of production, as well as any associational power they might derive from having a trade union, regardless of their own party.

Finally, labor law is difficult to use as a “weapon.” The subcontracting system generates a phenomenon of “double absence,” which means construction workers have no boss and no labor relationship within the present legal framework (Pun & Xu, 2011). Some scholars are optimistic, proposing that the legal system empowers the workers by having the appearance of a weapon that can protect workers' rights. (Gallagher, 2005) In the contemporary situation, the examination of the role of the law in mass protests is central: “protecting rights using law.” (J. Yu, 2004) This kind of legalism has become simultaneously both the hegemonic ideology and the rhetoric of popular resistance (Lee, 2007).

Two cases of workers' actions will be introduced in the following section in order to examine the relationship between the weakened power and the plight of workers' struggle.

3.2 Weakened Power and the Inaccessible Law

Work Injury

When I met the construction worker Yuan, he was sleeping in his bed in the dormitory in the living quarters near the construction site on which he was working. He had been sleeping here for several days after he was sent back from the hospital.

At the time, Yuan was in his forties from Jiangsu province. He came to this construction site on February 20, 2012, as a woodworker. The verbal agreement between him and the labor subcontractor with respect to Yuan's wages was ¥230 per day prior to his arrival at the construction site.

On August 28th, Yuan fell to the ground from the high frame where he was working because the concrete blocks to which he clung dropped. He was badly hurt, both by the blocks and in his fall to the ground. Medical examination indicated that his chest and waist suffered from compression fractures. The labor subcontractor paid for the medical fees and nursing charges. On September 25th he was persuaded by the labor subcontractor to leave the hospital and rest in his dormitory at the construction site, despite the fact that he could only move slowly and with pain. The doctor had advised Yuan to rest for at least three months, and to check back with the doctor once a month.

This is a typical accident on the construction site. The construction industry has a high level of danger, accounting for 40% of the work-related injuries across all industries. In the absence of a labor contract, construction workers have no social insurance. Typically, the labor subcontractor will send the worker home. In the construction industry, in many cases, the workers are accused of being at fault in their injuries, both by the labor subcontractor and the company itself. In June that year, a worker told me that two of his fellow workers were sent home with little compensation after they were injured. One worker, who hurt on his foot, was sent

home by the labor subcontractor without medical examination or compensation. Another worker hurt his leg with an electric saw and was sent home after the wound was merely stitched. The reason given by the labor subcontractor was that these workers were unable to work during their recovery period, and it was better that they recuperate at home.

Struggle for Evidence

Yuan is no exception. As soon as he left the hospital and returned to the dormitory, the labor subcontractor proposed to send him home and promised a compensation of ¥5,000. Yuan demanded ¥50,000 but was told “that’s impossible;” the bargaining came to halt and he did not know what to do next. At the time, he was advised by chance that there was a legal way of dealing with work-related injuries. He found a legal aid lawyer in Haidian district who estimated Yuan’s injuries at a 9th grade level, indicating a compensation level of more than ¥100,000 given his current wage level. But the lion standing in the way was the labor contract necessary to initiate the legal procedure.

According to labor contract law, the work-related injury should be reported by the company within one month. The workers have the right to report their own injuries if the company does not report on their behalf. Paradoxically, if the workers report the injury themselves, they are required to get the company to sign the report. In which case, the signature would indicate the company’s willingness to compensate the worker. This regulation made the company a lion in the way for workers to get compensation by the legal system. Ordinarily, construction companies get around this kind of insurance liability by buying blanket commercial insurance (without names of workers); such anonymous insurance would be used to compensate those forcing the company’s hand. This kind of dilemma faced by workers in the construction industry is critical as workers attempt to instigate legal procedures to further their interests.

Using the legal system is difficult for workers such as Yuan. After an internal struggle, Yuan decided to give it a try. He asked the company several times to report his injury to the relevant department, but the company refused. He then had to initiate a report on his own. He got the application form from the injury department of the labor bureau, but he needed the signature from the company; he pressed the labor subcontractor continually to get the signature from the company saying repeatedly that “The compensation will be paid by the company if I apply successfully; if I fail maybe you have to pay.”

In this system, the labor subcontractor is located in a contradictory position; some workers are fellow villagers and his reputation as a labor subcontractor is at stake — as both a member of the community and as a reliable recruiter of workers from the community. And yet, to help Yuan risks offending his own employer, the labor service company.

The Fake Labor Contract

For Yuan, the turning point seemed finally to come. On October 7th the company provided Yuan with blank contract which he signed and returned to the company to get stamped. However, the company stamped Yuan’s contract in the name of the Beijing Zhisen labor service company. Furthermore, the blank contract was filled in by the company. According to this version of the contract, Yuan’s wage was given as ¥70 a day which included his wages, overtime pay, and all other subsidies. Additionally, the date indicating when Yuan started work was the non-existent date of February 30th, and the location that was recorded for the construction site was unknown to Yuan. He was told by the manager of the company that, “All you need is here, you can complain anywhere you want.”

Yuan found himself trapped once again: If he continued to use the legal procedure available to him on the basis of the signature, then he would only be compensated according to the daily wage rate of ¥70. But it seemed to Yuan that he had no alternative but to go on bargaining with the labor subcontractor; he asked why his wage was changed to ¥70, less than a third of the level which he had been promised (¥230 per day); and, he claimed that the company should pay him ¥100,000. The manager of the company told Yuan that the labor subcontractor was responsible for less than ¥3,000, that the labor service company was responsible for less than ¥30,000, and, that the upper level of the company was responsible for more. The manager proposed to pay ¥40,000 including Yuan's wages. Yuan refused because the gap (between ¥40,000 and ¥100,000) was so great.

The legal aid lawyer assisted Yuan by making a copy of the labor contract and printing the registered information of the labor service company. The labor service company registered in Changping district (another district in Beijing), which meant that Yuan would have to go to the Changping district to register his injury. Almost at the same time the company realized their mistake with the date and asked Yuan to return the contract so that they could revise it. Yuan refused, fearing that he would lose the only evidence he had.

On the morning of October 11th, returning to his dormitory after breakfast, Yuan discovered that the labor contract, which he had put under his bed, had disappeared. Since his other belongings were all still there, he decided the contract had been stolen by the labor subcontractor or by agents from the company.

Personal Threats

Yuan despaired. He knew if he pursued compensation through the legal system, he would have to prove his case through labor arbitration, which he knew to be a long march that would be difficult to sustain.

When I visited him some weeks later, on November 17th he told me that “The day before yesterday, I went to the hospital for reexamination. The doctor prescribed some pills and told me to continue resting in bed. But I’ve had headaches recently and sometimes wake up suddenly because of pain in my back. And, these days I have nightmares frequently. Today, when the labor subcontractor sent my meal to me, I refused to eat. I asked him to take my quilt to the office of the upper level subcontractor, Lao Teng.” Yuan planned to sleep in Lao Teng’s office; he also told the labor subcontractor that he would climb the tower crane, and that he would also call the police to help solve this dispute if Lao Teng would not settle.

Yuan finally accepted an agreement which gave him ¥45,000 in compensation. When I visited him on November 19th, Yuan said, “I went to the labor bureau, but I was disappointed by their work style. The legal procedure is tough and long, so I gave up even though I got ¥20-30 thousand less than I ought to get.”

The Plight of Individual Workers

Yuan is typical of workers that get injured in the construction industry. Some do not get any compensation and some are only partly compensated, and only through individual struggles.

According to Marx, the notion of a productive laborer implies a relation that has sprung up historically and stamps the laborer as the most direct means of creating surplus value (Marx et al., 1954, 120). This same idea is expressed by the labor subcontractor when he deals with an injured worker as a labor commodity: “The broken machine can be sold for money, but I have to pay for you when you are disabled” (D. Li, 2011).

When workers are injured, they lose the capacity to create surplus value. At the same

time, they exit from the point of production where structural power is generated. The nature of work-related injuries determine that the injured worker is the primary, and possibly the sole agent in the struggle. This, makes it difficult for an injured worker to associate with workers who are not injured at the time (although many workers are injured at different times). And, it makes it difficult for the worker to associate with workers working under the terms of different labor service companies. This means that injured workers are put into an absolutely disadvantaged position, both physically and socially.

To begin with, workers have little bargaining power when they are injured. The organization of production to a large extent determines the workplace bargaining power of the worker. When a worker leaves his position in the production process, he can do little to influence the production process. Workers are organized by labor subcontractors who are often fellow villagers, leaving the worker with little marketplace bargaining power when asking the labor subcontractor to take the contract back. The labor subcontractor, considering his reputation, will usually compromise. But this is an unreliable relationship. In 2012, a worker followed his older brother (as a labor subcontractor) to work on the construction site. When the younger brother was badly injured and lost his kidney, the elder brother, the labor subcontractor, did not help the brother, but rather forced him to go home and accept less compensation.³⁶

Additionally, even though the legal system is seen as the last resort for settling disputes, the labor subcontracting system continues to put obstacles in the path of workers hoping to use labor arbitration. Occasionally, the legal system alters the structural plight of the labor subcontracting system by extending the ability of individual workers to grasp labor law and helping to steer them through a complex legal procedure. Workers' power in the workplace is also embedded in a specific

³⁶ http://epaper.rmzxb.com.cn/2013/20131209/t20131209_525788.htm

social-political situation — labor law, as it concerns labor contracts and social insurance, cannot be enforced so as to make the labor-capital relation into a barbaric situation. Labor law, while having the appearance of being empowering, is frequently inaccessible.

It should also be noted that workers are unlikely to get help from their fellow workers in this system of production. In Yuan's case, during the whole process, his fellow workers showed their sympathy and helped him daily, but they could not give evidence to support his labor dispute because they were afraid of having their own wages withheld. Moreover, it is difficult for injured workers to organize any kind of support for each other.

Finally, although workers usually combine resources for protecting their interests — legal resources strategies such as sleeping in administrative offices, along with bargaining or threatening to climb cranes — it might be said that these strategies are the weapons of the weak.

To sum up, workers face the same plight whether they are demanding their compensation for injuries or whether they are attempting to get their wages paid on time and according to their original agreements. This weak bargaining power, combined with an inaccessible legal system, prompts workers at times to “go to extremes,” in their attempt to construct a different strategy to realize their interests.

3.3 Divided Workforce and Tricky Capital

In 2012, I attended a collective action where workers were demanding their wages. The following day, the labor subcontractor, LJH said to me, “I didn't go there because I knew it would fail. The workers cannot insist any longer.” The well-known project in question was situated on most expensive land in Beijing in 2009. It was

contracted to the China Eighth Engineering Bureau Ltd [CEEB] which operated as the general contractor.

The workers remained on the construction site for nearly two months staging their wages demands after completing one and a half month's work. "It is longer to demand wage than work," a worker laughed bitterly.

It is very time-consuming for workers to fight for their wages in the construction industry. Sometimes, they spend more time demanding their wages than on working — a reality that indicates the severity of the struggle. Usually, the labor subcontractors are reported to have run away, thereby weakening the workers' demands. The following case will indicate how the situation can change when a labor subcontractor participates in the action.

The Dispute on Wage Level

A group of about 30 workers began work on the construction site on March 25, 2012. Their job was to install insulation in the outside walls which required that they work in a basket. The project was completed on May 6, 2012, and was followed by a labor dispute lasting for nearly two months.

The company wanted to pay the workers 200 per day. But both the labor subcontractor, LJH, along with some of the workers, did not agree to these terms. A worker noted that "The work of external wall insulation is high-risk, and workers need to work in baskets. The company only wants to pay us at the rate of an unskilled worker, but the same work on other construction sites is at least 300 per day."

Demand Government Intervention

The workers, along with their labor subcontractor, LJH, turned to the construction

committee and the local labor bureau for help. One worker (LXF), who later became a labor subcontractor, wrote in his micro blog:

The Jinmaofu (name of the place) project in Chaoyang district is so dark that 20 workers worked 40 days but the labor service company run away without even paying. The police tell us that we work illegally and will not be protected by the law because of a lack of labor contract. Both the construction committee and labor bureau do not intervene. They do not even talk to us.³⁷

On May 13th, the company told the workers they would get paid. However, when they went to the project department, they saw some unidentified people sitting outside of the manager's office. Then the manager asked the workers to go into the office one by one to get their wages while the other workers were to wait until they were called. The company wanted to pay the workers at the lower rate of 200, an offer which had previously been rejected. Knowing this, LJH organized workers to the office as a group in order to take the single worker back out of the office.

LXF wrote in his micro blog the following day as they waited in the Bureau of Letters and Visits in the Chaoyang district:

The company invited people of the underworld to “help” pay for the workers. Why don't the construction committee, the labor bureau and the police supervise the company to pay the worker? The worker was threatened for an hour to accept the price determined by the company and was not allowed to go out of the office. At last, the other workers risked their lives to rescue him. “There is no law, no justice” (Tian Li, translated from Chinese). The government takes negative action. But we have to ask them to act. Today we come to the Bureau of Letters and Visits of

³⁷ <http://weibo.com/u/2556181387>

Chaoyang district to see how the government covers up for, and works hand-in-glove with capital.³⁸

The workers continued to wait in the bureau. They asked the official to deal with their problem, but nobody responded. They planned to wait until the bureau closed thinking that if the officials closed the door they should have to respond to the workers. “Unless they do not go home,” I heard LJH say. They waited for the entire day without eating anything and another worker (ZB) gave speech in front of the workers. LJH called it the “hungry war” as a way of stimulating morale.

LXF wrote in his micro blog the next day:

We waited in the Bureau of Letters and Visits until seven in the evening, but no “people” responded. The official said that you are welcome every day, but once they were off duty, more than ten police came to disperse us. We called 12345, the mayor’s hotline, but someone told us to go to the labor bureau to file our case. Today, thirty of us went to the labor bureau; the supervisor received us days ago with a bad attitude and also told us to file a case. God! They did not even inspect the case over these ten days. What do they do every day? The state raises a group of deadbeats, who eat as humans but do not do things the way humans do.

Obviously, when the Bureau of Letters and Visits did not help they went to the labor bureau; they applied for labor arbitration and they named CEEB as the respondent.

On May 24th, LJH received a phone call telling him that the named respondent was incorrect. An official from the labor bureau told him that the respondent should in fact be the labor service company but not the construction company. LJH went to the

³⁸ <http://weibo.com/u/2556181387>

labor bureau that day where the officer suggested LJH sue a labor service company called ZL. But LJH insisted on suing the company itself, CEEB, “There would be no result because ZL is too small.” The labor bureau official informed LJH that the Beijing branch of CEEB had already closed e2005; LZJ informed the official that the legal representative of the Beijing branch was the same as that of CEEB.

On May 29th, LJH organized workers to go to the Beijing Municipal Bureau of Letters and Visits. The officials there did not respond at the beginning; LJH quarreled with them and finally the head of this bureau called the labor bureau and again advised LJH to sue ZL, the labor service company.

The Controversial Labor Arbitration

Reluctantly, LJH filed a case the following day (May 30th) naming ZL as the respondent. The ensuing arbitration tribunal of labor disputes was held at 9:30 AM on June 18th. The workers demanded that the labor service company, ZL, pay their wage, their fees for overdue work, and compensation for time wasted in the process of attempting to resolve their wage dispute. The lawyer for ZL responded by deny the labor relationship between the workers and ZL claiming that the labor service the workers provided was actually contracted to the HKTD labor service company, and that ZL had already paid HKTD. The lawyer provided evidence, including the project contract with HKTD, and receipts indicating payments to HKTD. The workers, having no contracts, provided evidence, including an accommodation regulation for the external wall insulation work team that showed the name ZL recorded at the end of the regulation and a wage document created by LJH.

The lawyer continued to insist that ZL contracted the project to HKTD and denied having a labor relationship with the workers. The worker, LXF, acting as the representative for the workers, argued that ZL in fact arranged and supervised their work, and the workers had never heard of HKTD. LXF also argued that if ZL truly

contracted the project to HKTD, then there would be a case illegal subcontracting according to the Construction Law. According to LXF, the workers were recruited by a person named Gao, who in turn was introduced by a person name Li, who in turn accepted the project from a person named Sun. Here was a typical multi-layer subcontracting relationship network so characteristic of the construction industry.

The arbitrator asked both sides whether they were willing to mediate. Workers said yes, but the lawyer for ZL hesitated. The arbitrator informed all parties that agreeing to mediate did not mean that a labor relationship was admitted, at which time the lawyer for ZL agreed to mediation. The arbitrator asked both sides to check and sign the court record for this meeting and left, returning later with some papers in hand. She informed both sides that she verified the existence of HKTD on the basis of an online search, and then asked the representative of ZL company to leave first. She then she informed the workers not to wait for arbitration because they would get nothing if they attempted to mediate at this time. She also reminded the workers that she had asked ZL to confirm the total amount of wages owing and to pay if the amount was low.

As we left the labor bureau, LXF told me that losing was also winning, for it can at least prove a labor service relationship. He also said arbitration was the wrong path, and said he had difficulty deciding on tactics, saying that “If the judicial path does not work, use the administrative way directly.”

On June 22nd, workers received the results of the arbitration: The tribunal did not support the labor relationship between the workers and ZL. On hearing the result, the workers gathered at the gate of the Changyang district government to demand intervention. Getting no response, some of the workers slept in front of the gates of the government building that night. They were then detained for five days in the name of being suspected of the crime of endangering public security. They showed

me a written Public Security Penalty Decision. All workers were required to sign, add their fingerprints, and write “obey and do not complain” on the written decision. LXF was called to the police station to register his identity card, but he was not detained since he had not slept there that night. He said the government official promised to solve the problem on June 27th.

The Tricky Process of Getting Payment

When June 27th finally arrived, all the workers were waiting in their dormitory until 2 p.m. to come around. By this time, they did not have much confidence in the arbitration tribunal as the result had given the workers a heavy blow. One worker (LZY), was worried and said, “It is unlikely that we’ll get paid today;” another worker nodded bitterly. It was clear that they thought ZL would use the arbitration tribunal as an excuse to escape responsibility.

At 2 p.m. there was still no response. LXF and the other workers were angry at the government’s failure to call both sides together to solve the problem. Another worker, (S), along with LZY, two foremen at the construction site took the workpoint record (documenting the worker’s hours). LXF faulted them for not putting all the work points, wages, and compensation in order.

LXF and LZY called workers together to go to the project department to see what happened. LXF explained the situation this way:

The bird in the lead will be shot first; if the core workers go first, but are controlled by the company, then all the workers would scatter. Wait and see, if the problem cannot be solved today, they have no excuse. The district government official, and the head of the police station, promised to solve the problem at 2 p.m. Now 2 p.m. has passed, but we can wait until the end of the day. If it cannot be solved, then we can go to the municipal

government.

Although LXF was pessimistic about the day's result, he also had some confidence. He had seen that officials from the district government and the labor bureau, as well as police officers and the managers from CEEB and ZL had all been present when he was called in the day that workers had been detained.

LD, a friend of LJH and LXF and also a worker and sometimes partner of the labor subcontractor, came to offer help despite the fact that he was pessimistic about the situation. He also worried, as did LZY, whether ZL would use the arbitration decision as an excuse and let the workers charge HKTD directly. He saw the arbitration procedure misleading and thought the workers should pressure the government directly to demand intervention.

Meanwhile, most of the workers remained in the dormitory. The workers led by S were from the northeast and Hebei, and workers led by LZY were from Hebei and Shanxi. These two groups of workers came together initially because of the cooperation between LJH and another labor subcontractor (LT), no longer at the scene. Sometime later, S led a group of workers forward to the project department. The project department has only one entrance with high enclosing wall, and two security guards were positioned there. However, moments later, the workers successfully gathered at the project department.

Eventually, 4 staff members from the department came out and one addressed to workers: "Fellow workers, I, on behalf of HKTD will pay you. You should go to the project department to receive your payment in groups of five at a time." He then called five workers by name. At the beginning, some workers did not dare to go, but the staff members shouted out, asking whether the workers wanted their payment.

The first five workers went forward into the project office with their identity cards, which they needed in order to be paid, signing for their payment with their fingerprints. Although some workers had to return to their dormitory to retrieve their identity cards, the process appeared to go more smoothly than most workers expected.

Meanwhile, the other workers were waiting outside. Two hours later, a worker from the first group came back out. He told workers outside that the company proposed to pay him 200 per day, and 1000 for living allowance fee, but with no compensation for the days where work had been delayed because of time devoted to their attempts to get paid. He did not accept these terms. The company brought watermelon, meals, and cigarettes to the negotiations. But, after two hours they had still not reached an agreement and the five workers wanted to leave. This worker now speaking to us was forced to go back, but he still did not accept the company's proposal. The manager finally shouted at him and drove him out. He also informed workers waiting outside that the workers from the first group were separated from each other in different rooms and that he did not know their situation.

Later, the second group of five workers was called into the project department even though the first four workers had not yet come out. At this time, workers were worried about the situation. One worker asked LZY and S to call up all the workers remaining outside so they could work out how to deal with the situation, but they did not respond.

LXF explained to me about the complex subcontracting relationship. He said that the project had been accepted by ZXB who had been arrested a month prior for other reasons. ZXB had subcontracted the project to LT who cooperated with LJH. It was, however, LZY and S who each led a group of workers. LXF said that he could do nothing because he could not lead the workers. LD agreed, saying he could only lead if he was the foreman.

LD worried that the company was collecting evidence by talking to the workers separately and individually. His thinking was that, if the workers accepted then the blame would be pushed onto the workers. He explained, “The government official promised to solve the problem, but did not say how they would solve the problem or at what price. Normally, workers should choose two or three representatives to negotiate for the group. Only after they reach an agreement on the wage level would the workers get paid. This time, the situation is that there are too many leaders to the process.”

Around 6 p.m. the third group of workers were called in, but they soon came right back out because they were arranged to negotiate together, and so they refused together. At the same time, the fourth group of five workers was called in, but meanwhile the first two groups of workers still had not come back out of the project department. At this point, all the workers were nervous and some were frightened. They wanted to call the workers together, but S and LZY still did not respond. By now, some workers were complaining, asking “what on earth are these ‘leaders’ thinking”?

Around 9 p.m. a worker from the first two groups phoned his fellow workers and informed them that these groups were being sent to the railway station through another door. At once, the workers understood the company’s trick of “do one thing under cover of another.” Workers outside of the project department were afraid that these workers may be thrown off midway and robbed by the company. Some workers said that they were being sent to the bus station having been paid at only 220 per day, with a little compensation.

Workers outside were also afraid that the later they were called the less they might get. LXF called the workers together and demanded that the company pay them

together. But by then it was late and not all the workers followed his instruction.

By 10 p.m. the manager of the company came out to call in all the workers. The workers hesitated a few minutes but soon began to go in after the manager shouted at them. Workers shouted “we want to go together,” but the manager told the workers to wait. He soon came out again and said that workers could come forward now in groups of ten. He called out names but LXF and other workers shouted at the manager, insisting that all the workers should come in together with the ten workers called. However, LXF and a few workers were detained outside.

Later the police came to the construction site because the project department had called saying that LXF and other workers had attempted to force their way into the building and almost caused a conflict.

By 11 p.m. all the workers were called into the project department into one of the company offices. LD and I followed the workers and waited outside the office. Three security guards stood outside the office door and a female official in labor bureau uniform was sitting at the door. At the center of the room five company members sat at a table. All the workers were ordered to stay in the corner, and were called one by one to give their account of their work points and their wages. From there, they were called one by one into a smaller room adjacent to this office in order to bargain.

According to one worker who came out of the office to speak to us, there were two people in the small room, one from the company and the other from the labor bureau. The official from the labor bureau did not say anything. Workers who were called into the small room were asked whether they agreed with the company’s proposal. If they agreed, they would be paid immediately; if they did not agree, they came out of the small room and returned to the other workers. A few workers did agree.

By midnight, S accepted the offer of 200 per day with a small living allowance. Later, a few members of his work team also accepted. LXF continued to insist on getting paid at the rate of 300 per day, along with fees for overdue work according to the law. The company continued to take the position that 200 per day was the market price.

Outside the room, ZB's wife muttered to me that ZB has invested 18,000 and LJH also invested 20,000 for workers' living allowance which they now could not get back. LD said that S asked each of his fellow workers to give him 200.

At about 1 a.m. LXF and other three workers were still insistent while and the other workers gradually scattered. At last, staff members from the company said, "So that's it, let's close the door." They drove the remaining four workers away without any payment. LXF flew into a rage and said that he would demand government intervention.

Short Discussion:

This case reflects several aspects of the lack of power experienced by workers and the plight inherent to their strategies to combat their situation.

The foremost obstacle of workers' action is the labor relationship between the workers and the company. As soon as workers began to demand their interests, they are confronted by threats from the company that may deny the labor relationship. Once workers put forward their demands, they give the company an excuse for denying them a labor relationship; introducing legal procedures throws up additional obstacles.

The labor subcontractors pay the workers' living allowance in advance — which they see as an investment. These subcontractors certainly want to make money from

the workers, and the main way to do this is to raise the workers' wage level and then collect the difference. This only serves to intensify the struggle between the workers and the construction company.

Once the work is complete, workers no longer have any power left to demand their wages, and they are left to leverage other means to retrieve their wages — such as to asking government for help. The state appears to be ineffective — even in extreme circumstances where workers are confronted and threatened by the underground — and even the police or the Letters and Visits Bureau do not begin to bear up to their fundamental responsibilities.

In the case described above, when the workers pointed out the illegality of the subcontracting system in the course of the labor arbitration, they were ignored and the labor bureau official did not even respond to their charge. The main concern of the labor bureau is the labor relationship, which is difficult for workers to justify and pushes them into the game of legal procedures. After all the legal means were tried out, workers turned to radical actions to confront the government at the risk of being detained for five days. When the workers were called into the project management office in hopes of getting paid, two uniformed officers were on the scene, but it appears that their role was not to advocate or protect, rather simply to witness.

The most important thing revealed in the case described above is the strategy used by the company to purposefully divide the workers. The process of paying workers under these circumstances can almost be seen as thrilling, with the threats being made, and even violence occurring from time to time. These companies generally use a security guard and outsiders to threaten, and ultimately to force the workers to accept the company's unilateral proposal. In the case described above, the place designate for negotiation was a closed environment with two security guards standing outside the door. These conditions added greatly to the workers' sense of

psychological pressure. The same psychological pressure was applied when the workers were called into the office to negotiate in small groups. Once there, they were separated into individual rooms, much the same as police do when interrogating criminals. This was done step by step: When the first four groups of workers were paid, the company representatives sent them by way of a different exit, off to the bus station or the railway station, so that workers remaining outside did not know how much the workers inside were getting paid. In this way, they divided the workers and prevented them from helping each other.

It should be remembered that, at the outset, this group of workers was first divided by the labor subcontractor. Three labor subcontractor invested in this project, and two different work groups were invited to do the work. From beginning to end, there was no consensus among the labor subcontractors around how best to assure the agreed upon wages and other terms. Some wanted to leverage administrative power; LJH, the labor subcontractor wanted to try labor arbitration.

When the second labor arbitration results indicated that the labor bureau did not even recognize the labor relationship, workers lost the confidence in labor arbitration and so did LJH. He lost confidence in the workers themselves, to such an extent that on June 27th he was not on the scene to organize the workers. Nor did other labor subcontractors show up; they assessed their risk on the basis that four workers were detained and they feared the intervention of police. As a result, the organizational ability of the entire group of workers was weakened because, in the process, the foremen (S and LZY) did nothing to organize the workers or to prevent the company's strategy to "divide and conquer."

It should also be pointed out that ordinary workers see themselves, to a certain extent, as dependent on the foremen and the labor subcontractors. They seem to believe that only the foremen and labor subcontractor have the ability and authority to organize and lead the workers. In the case described above, when the foremen and labor

subcontractors did not take the leading role, the workers were easily divided.

3.4 The Weakening of Worker's Power and the Plight of Informal Workers

As the examples discussed above demonstrate, workers in the labor subcontracting system have little power and the path to protect their basic interests is full of obstacles. This plight is not particular to construction workers; it is common to the struggles faced by all workers reliant on informal work arrangements.

To begin with, the informalization of the labor force weakened the integrity of the production process so that the workers' workplace bargaining power was in turn weakened. Additionally, timing became an important factor in the exercise of this power. Usually, workers are paid (or have the promise of payment) at the end of a project, which means that workers have retreated from the production process and have, to a large extent, lost their workplace bargaining power, which is why workers usually now turn to the government for help.

Informalization of the labor force also divided workers. The labor subcontractors have their own particular interest not necessarily consistent with that of the workers' in the subcontracting system. They are the primary organizers of workforce and sometimes dependent on workers. At the same time, labor subcontractors are determined not to stand with workers; they are at times even a significant obstacle in workers' actions — as in Yuan's case described above, where the labor subcontractor clearly did not help him. In the second case, the labor subcontractor, LJH, at first led the workers but later, after the failed legal procedure, retreated thereby weakening any associational power that the workers might have accrued by way of his leadership, since it is difficult for workers to trust leaders from within their own ranks, not to mention being able to reorganize again in such a short time. And so, it

is convenient for the company to divide and control workers.

The informalization of the labor force also marginalizes labor relations within the legal framework. While the labor laws appear to protect the rights of workers in labor disputes involving wage and other arrears, in practice workers are faced with numerous obstacles along the path, dispelling what may have seemed a beautiful illusion. Compensation for injury and payment for labor power are basic constituents of any capitalist system. The existence of a legal framework that provides a way for workers to get compensation for injury and unpaid wage reveals that these basic rights are acknowledged, at least in theory, by the present political system. However, in practice, these rights cannot be realized under the present capitalist order. The gap between the legal framework and the actual operation of the current capitalist economy indicates that the legal framework contains a negative force of the present economic order. Given that the core concern of workers' struggle at present is their labor contract which potentially helps the informal labor to use the legal framework, their action of using labor law is a progressive step.

Scholars viewing the workers' struggle from a legalist perspective consider the gap but they argue that workers' use of legal resources will lead to the institutionalization of their interests. They ignore that reality that, when workers encounter the gap they soon come to understand the workings of government and who, in turn, the government actually works for. That is to say, in the process of using legal resources, workers begin to understand the nature of the state without necessarily strengthening the legitimacy of the state. Edward Palmer Thompson reminds us that when law is unjust it cannot be effective:

Most men have a strong sense of justice, at least with regard to their own interests. If the law is evidently partial and unjust, then it will mask nothing, legitimize nothing, contribute nothing to any class' hegemony. The essential precondition for the effectiveness of law, in its function as ideology, is that

it shall display an independence from gross manipulation and shall seem to be just (Edward Palmer Thompson, 1975, 263).

Chapter 4. Derivative Workplace Bargaining Power

According to a report released on December 2, 2013,³⁹ more than 20 workers occupied the sales office of a developer in north Shenyang, and demand their more than ¥2 million in wage arrears. These were the representatives of a work team of nearly 80 workers, led by the labor subcontractor Li. They had worked on the construction site during the winter. The project — the main construction of two 24-floor buildings — was subcontracted from a higher-level subcontractor Lu. The original agreement was to settle accounts at the completion of each 8-floor interval, but this did not happen. Until then, Li had used about ¥0.7 million of his own funds to pay labor costs in advance. Li claimed that the higher-level labor subcontractor owed him ¥2 million. As the Chinese New Year approached, workers began to go home. Li was concerned and asked the higher-level labor subcontractor Lu for money. According to Lu, he also paid in advance for almost ¥10 million, some of which he had borrowed usury at a high rate. There were, at the time, two other labor subcontractors in the same situation, and the total amount of wages not yet paid to the workers exceeded ¥6 million.

By the time the workers occupied the sales office in an attempt to get their wages, the project was nearly finished. The manager of the development company stated that the issue would be settled within the week.

Recently, there have been more reports of incidents such as this, where the sales office of the development company or the project department is occupied by worker

³⁹ http://ln.sina.com.cn/news/s/2013-12-04/065570277_2.html

representatives as a strategy for settling wage arrears.⁴⁰ In some cases workers were badly treated, and tragic accidents ensued.⁴¹ It is important to examine the strategies behind these actions of workers attempting to recoup their wages and other costs.

4.1 Derivative Workplace Bargaining Power

It is easy to blame workers for making trouble and attempting to win sympathy from the public because they are targeting developers who usually do not have a direct relationship with the construction workers. The potential power of the strategy behind these actions has weight in two areas. First, as one report indicates, occupying the sales office of the developer will result in stopping the work in the sales office itself.⁴² At the same time, these public actions have the potential to negatively affect the image of the developers with implications for influencing the behavior of consumers with respect to sales. The exercise of this bargaining power is rooted in the workers' position in the relations of production. The production of buildings, if taken as part of a whole system of production, would see the sales office belonging to the arena of commodity circulation. Occupying the sales office of the developer can be seen as derivative workplace bargaining power – derive from workers' position in the whole production system – different from the definition set out by Wright and Silver.

For Wright, workplace bargaining power is the power that results “from the strategic location of a particular group of workers within a key industrial sector.” Or, as Silver notes, workplace bargaining power accrues to workers who are enmeshed in tightly

⁴⁰ http://news.iyaxin.com/content/2012-12/26/content_3752064.htm

⁴¹ http://news.xinhuanet.com/fortune/2006-06/01/content_4631477.htm;
<http://news.qq.com/a/20041214/000054.htm> .A group of workers who worked in a college demanded their wages by locking the door of the building under construction, which was also the door of the college. Conflicts occurred between students, teachers, and workers, when some students and some teachers wanted to prevent the workers from locking the door.

⁴² http://news.iyaxin.com/content/2012-12/26/content_3752064.htm

integrated production processes, where a localized work stoppage in a key node can cause disruptions on a much wider scale than the stoppage itself (Silver, 2003).

According to them, workplace bargaining power has two main features. One is its strategic location, and the other is the tightly integrated production process. However, as indicated in Chapters 2 and 3, the use of labor subcontracting in the construction industry has made the production process associated with construction a loosely integrated one,⁴³ with the result that the labor process produces divisions among workers (Qi, 2011). The outcome of kind of integration, or lack of it, is that construction workers' workplace bargaining power has been weakened to a large extent and, as one workers told me, "conducting a strike by a work team only means that we give ourselves a holiday."⁴⁴ There is insufficient power to initiate large-scale work stoppage unless deadlines are tight.

Occupying the sales office is only one form of the derivative workplace bargaining power. In the construction industry, three other forms of workplace action are more frequently used: The first type of action is to occupy the project department of the construction company or labor service company; the second is to occupy or close the doors to construction site; and the third is to close the switch on the construction site.

In the first type of action —occupying the project department — workers gain the power by preventing office workers and their managers from continuing their work. In situations where the warehouse is also on the construction site, this kind of action can also result in a stoppage on the construction site. By closing the gates on the

⁴³ In fact there are a few strategic positions in construction production process, such as the driver of the tower crane and those drivers transporting concrete and steel. But they are usually subcontracted to other leasing companies or paid by month, which means that these workers are not well integrated with other workers.

⁴⁴ Only in some situations can strikes on construction sites be helpful for strengthening workers' workplace bargaining power. On October 12, 2011, a group of seven workers preparing steel conducted a strike for a half day, and they were able to get their agreed-upon 85% wage. They came to the construction site originally with an agreement that ensuring 80% of their wage every month, but after 2 months without wages they took action.

construction site, work is effectively stopped by preventing the vehicles transporting construction materials from delivering the concrete and steel required on the site. And, by switching off the power to the construction site, workers can effect an immediate work stoppage since the production process is highly mechanized and cannot operate without power.

Where the derivative power of occupying the sales office emerges by way of interrupting circulation in the production process, the derivative power of occupying the project department and shutting off the power emerges by way of interrupting the production process. Both these actions require workers' cooperation and solidarity, though in some circumstances shutting the power off could be the action of a single individual.⁴⁵ Though different, these actions have one important feature in common — the power that derives from the labor relations of workers in the system of production. These can be categorized as two subtypes of derivative workplace bargaining power. Where, for Silver, workplace bargaining power means that particular groups of workers voluntarily stop selling their labor power in order to effect work stoppage, derivative workplace bargaining power also means that particular groups of workers also prevents other workers from selling their labor power (a related but different form of work stoppage).

In the following section, I will examine how the derivative workplace bargaining power works and how it helps workers in their struggles.

⁴⁵ In 2011, a worker I know went to work on a construction site in Xi'an. After he worked for a month he had to go home for personal reasons. But the labor subcontractor refused his request and threatened to deduct his wages. His fellow workers did not dare help him. He went to negotiate with the manager but the manager had a similar response. Finally, he shut the power off three times and succeeded in getting his payment.

4.2 Exploiting Derivative Workplace Bargaining Power

4.2.1 Closing the Gate to Stop the Project

On June 5, 2010, 35 workers from Yangjiang, southwest of Guangdong province came to a construction site in Haidian, Beijing. 26 fellow villagers followed a half month later. In this case, the labor subcontractor was also their fellow villager and some of these workers had followed him for five or six years. The first 35 workers signed an agreement with the labor subcontractor, but the 26 workers who followed later did not do so. They agreed on the daily wage of 200 for a nine-hour work day, and free accommodation with a promise that the wage was to be paid monthly.

It is rare to encounter workers from Guangdong on Beijing construction sites. They say, “When we are in the south, we struggle to work eight hours a day, but it is hard in Beijing, so we compromise and work nine hours a day. But the payment must be done monthly. If they cannot pay us monthly, how can we believe that they have money at the end of the year? There is no guarantee! If they pay regularly, we have the confidence to work for them. If they do not pay all the time, we feel less confident which has an impact on our work.” Like most migrant workers, they do little agricultural work these days, and wage earnings provide almost the sole source of income. They explained, “We come here to be employed, only to make money. Now money is needed for everything in order to live. Without money we cannot live in Guangdong!”

It seems that they have greater sense of awareness of the value of their labor given that they come from a more commoditized district in China where wage income carries more weight.

By the time they were on the construction site for a month (July 5th), they expected to get paid according to their original agreement and they asked the labor subcontractor for their wages. The labor subcontractor asked them to wait for two days, saying that the company had not yet given him the project money. Two days later, on June 7th, they went to the project department and threatened to leave if they were not to be paid monthly. The company asked the labor subcontractor to pay the workers with advance funds and threatened the labor subcontractor with fines if the construction progress was delayed because of these workers. Reluctantly, the labor subcontractor agreed to pay on the basis of to the completed amount of the project but not according to the daily wage promised when they first entered the site. The workers nonetheless insisted on getting paid according to the daily wage as signed in the agreement but the negotiations ended in a deadlock. How to settle the issue?

Closing the Door to Pressure

On the morning of July 8th, all 51 workers acted to close two gates of the construction site using cement so that the tanker truck, manned by other workers and carrying beton, a waterproof coating material, was unable to enter the site. The beton coating compound hardens in a relatively short period of time, so the company called the police immediately. Police arrived quickly from the local police station and told the workers to open the doors to let the vehicle, with its workers, enter the construction site. One worker commented, “Aggressively, the police said that we should not ask for wages by closing off entry to the construction site. They promised to settle the issue soon.” The construction workers, deceived, removed the cement and opened the door under this pressure. The police advised the workers was to let the company solve this problem, and if that didn’t work, to turn to the labor bureau for help; they insisted that preventing access to the site by cementing the door was prohibited by law.

The workers went to the local labor inspection station that afternoon. At the

beginning, the labor bureau official approved their agreement with the labor subcontractor and acknowledged the wage level. But, when the manager from the company arrived at the labor inspection station, he denied the agreement. Again, the labor inspection official asked the company to negotiate with the workers on the one hand, but at the same time let the workers know that he thought it would be impossible for them to get such high wages.

Angrily, the workers returned and once again shut down the entry to the construction site. Again, the police returned to the project department soon after they came over to ask the workers to open the door. One worker reported, “We don’t know what they talked about. The policeman did nothing but repeat what the police said in the morning and left.” The company continued to ask the workers to wait.

In the morning of July 9th, some workers proposed to climb the tower crane while others preferred to close the door and instigate a work stoppage. They were persuaded to wait until 11 o’clock at which time the manger promised to pay the workers that afternoon according to a company procedure. The workers waited until 5:00 in the afternoon. By then the weather had changed and a heavy rain threatened. By then, as well, the manager of the company, officials from the local labor bureau, and the police had gathered on site. The manager asked the workers to remove their luggage from the living quarters and leave the site as soon as they got their wages. They were then paid, one by one, after signing their names.

The rain began pounding down before all the workers were paid. At about 6 p.m., when nearly all the workers had been paid, a worker who had been on bed rest for two weeks with a hand injury was unable to get his wages. The company refused to pay or to compensate him for his injury. It was only after he announced his intention to climb the tower crane that the manager and the labor bureau officials promised to settle; he was then paid according to the agreement and partly compensated.

Timing, Solidarity, and Workplace Bargaining Power

Workers in this case were particularly strong both in their solidarity with one another and in consciousness to get payment — though actions such as those chosen in this case are widely used by construction workers. However, some important inferences can be made from the success of these workers.

First, timing is critical in a workplace action. These workers had insisted on monthly payments and when the company appeared to renege they took action immediately, while having only one month's pay at stake. In most cases, the workers only begin to take action around wage arrears when they complete a project, or even after having left the construction site for a while. In this situation, there is little workplace bargaining power — when they no longer have any influence over the production.

The timing these workers chose is critical in two ways: Workers asking for monthly payments bear lower risk. In this case, some of the workers coming later to the construction site had only worked a half month. Receiving monthly payment allowed them to trust the labor subcontractor; they would not have trusted the labor subcontractor blindly with an arrangement that delivered payment only at the end of the year. The workers' trust of the labor subcontractor — also their fellow villager — was simply based on the ability to pay, but not the *guanxi* hegemony—where workers trust the labor subcontractor merely due to the social network.

The advancement of funds is a fundamental characteristic of leveraging resources in the construction industry and the workers are implicated in this system. Workers who are not paid until the end of the year are obviously more deeply involved, and at much greater financial risk, than workers who are only paid monthly. Either way, they have the ability to manage the timing of their workplace actions as long as the project has not been completed; they can influence the entire progress of the project

when a door is closed the door to prevent supply vehicles from entering. Workers who do not receive their payment until the end of the year, or after the completion of a project, lose their power almost entirely; any labor power they had was already long since added to the construction commodity and they have no capacity to pose a threat to the company.

After timing, solidarity is essential to workplace action. In this case, solidarity among the workers was strong because they were not only fellow villagers but fellow workers who had worked together for many years. As one worker said, “There is no government now in China. We can depend on nobody but ourselves.” Awareness that government is not likely to help them strengthens their sense of solidarity and inter-dependence, which in turn ensures their determination not to be divided or to give in to individual compromise.

Having the power to close the gates on a construction site is also essential to workplace action. In this case, the workers were the steel fixers on the construction site — not as essential as the tower crane divers and therefore having less workplace bargaining power should they have merely stopped working. However, shutting the off the entry to the construction site — which prevented the timely delivery of materials — did have the potential to stop the whole project. Simply put, the workers in less essential occupations were able to construct their workplace bargaining power only by taking strategic action with the potential for interrupting the entire production.

Barring entry to a construction site does run the risk of intervention by the police. In this case the police made sure that the doors were not closed for too long, but workers also risk being charged and sentenced.⁴⁶ The police take the view that

⁴⁶ http://epaper.oeeee.com/M/html/2013-07/03/content_1886824.htm In this case, the workers are accused of the crime of sabotaging the production and business operations because they switched the power off to pressure the company to settle the labor disputes. Six workers

workers' actions are not permitted to interrupt the operation of a project. In this way, the local labor inspector and police act to maintain order in the production process rather than rectify the violation of worker rights, let alone enforce labor laws. This kind of state intervention weakens, to a great extent, the workplace bargaining power of workers.

4.2.2 Turning off the Switch

Tian was a bricklayer in his forties from Hubei province. On April 18, 2011, he and five other fellow workers came to work on a construction site in Haidian, Beijing. He expected the project to be big enough to allow him secure work for a few months. Unfortunately, these six workers were only able to work for 13 days after which they found themselves waiting due to poor management by the project department. Finally, on May 13th, they asked for their pay so that they could leave since it appeared that there was no wage subsidy for the delay, and they decide it would be a waste of time to stay at this construction site. They did not get their wages.

According to Tian, a small strike broke out on the construction site that same day. A team leader switched off the power and all the workers stopped work. Ironically, the team leader was the deputy for the labor subcontractor and, with work delays on the site, many workers came looking for an explanation and demanding their wages. Since he was not able to pay the workers, he simply switched off the power, creating a work stoppage to pressure the company. The labor subcontractor came to the site immediately to ask the workers to return to work with the promise of an explanation in two days. Some workers returned to work but Tian and his fellow workers refused. He stated, "Even if we can return to work now, we do not want to work here because the conditions are uneasy and the wage is low. We cannot get ¥100 each day so it's

involved were sentenced to between eight and nine months in prison.

not worth working here.”

All these workers wanted at the time was to get paid for their 13 days of work and be allowed to leave to find other work. But they were unable to get their wages. On May 14th, Tian and his fellow workers went on their strike in spite of the manager having asked them to return to work with the promise that they could work every day from then on. By this time, they no longer trusted the project department and insisted that they receive their wages and be allowed to leave. They also demanded wages for the days of the stoppage which were seen to be the fault of management.

They soon realized that their strike was not as effective as they hoped and they turned to the Haidian labor inspection team for help on May 16th. The labor bureau official called the manager by phone to urge him pay the workers, but the manager replied that the amount of their contribution to the project had not yet been calculated; he promised to complete the calculations that day, and then pay the workers according to their contribution. There would be big loss for the workers according to the proposal. Tian decided that, if they were paid the following day, they would accept the proposal; if not, they would continue to demand the wages for the days they had worked.

The company did not honor the agreement and insisted that Tian and his fellow workers work to complete the project. The person in charge of the project was not on the site when they returned that day, so Tian switched off the power and called the labor inspection team and the police, but neither came to the site. However, all the workers stopped their work.

In the afternoon, the manager in charge of the project came to the site along with the police and the labor inspection team. The manager blamed the workers for their poor work and threatened to deduct their wages. At this time, the project wage costs had still

not been calculated yet, so the labor inspection team asked the manager to do the calculations and pay the workers the next day. Tian and his fellows did not increase their claim to wages at this point; they simply wanted to get paid and leave the site as soon as possible.

On May 18th, the labor subcontractor and the manager negotiated the project money. Tian and his fellow agreed their proposal but still did not receive their wages that day. On May 19th, Tian switched the power off again and again the labor inspection team came to the site. By this time, ten more workers from another work team also asked for their wages due to all the delays. This team also wanted the assistance of the labor inspection team but the company, now faced with a claim 80,000 admitted that they could not pay because of a strain on the project funds. The team agreed to go home for the wheat harvest leaving their leader to wait for their wages.

On May 20th, when the company had still not delivered on their agreement, Tian and his fellow workers analyzed the situation and decided the company was deliberately preventing them from leave, because it was difficult for them to find other workers to do the work that remained. They also realized that funds were strained so Tian, along with another worker and their leader (W), took it upon themselves to escort the manager to his car and together they drove to the head office near the Beijing west railway station to settle account. Finally, they were given a cheque of 12,000 that afternoon. Tian concluded bitterly, “It took one month on this construction site, with only 13 days of work. Everyone got only 2,000 on average for this time which amounts to only half the wages we usually get.”

Some Points Indicated in this Case:

In this case, workers used their workplace power at the outset by conducting strike. When they found this to be ineffective, they switched the power off which resulted in a work stoppage. This proved to be more effective and prompted the labor

inspection team to intervene. Shutting the power⁴⁷ off is an effective way to initiate a negotiation, but in the end they had to resort to other means — escorting the manager to head office — which could have been construed as illegal.

Their determination to struggle fluctuated in this case. The first time they switched off the power, they expected to be paid promptly so they did not demand compensation for their time lost waiting to leave the site to find other work. When they realized that management was not going to deliver on their promise, they switched the power off again. The third time they switched off the power, they found another work team also prepared to demand their wages and an opportunity arose to cooperate and put pressure on the company together. Tian, however, suspect that his work team would lose the attention of the labor inspector if they joined together. This indicates Tian's relatively poor understanding of the potential of the power of solidarity to resolve the situation with the construction company, even though it seemed his confidence in the labor inspector was misplaced. His first concern was his own team.

4.2.3 Occupying the Project Department

In this next case, CJ and CDZ are both from Hebei province; both are in their twenties. They led 17 young fellow villagers to the construction site in Haidian Beijing to do plumbing work on February 2009. They had both worked as team leaders under a labor subcontractor and their wage agreement was that the 17 workers would earn 85 per day and, given their experience as team leaders, CJ and CDZ would earn 95 a day.

⁴⁷ The switch is usually fixed on the construction site, which is accessible to workers.

After they worked for nearly three months — and the project they subcontracted was about to be finished with approximately 20 days of work left — they set out to ask for their wages, thinking that wages might difficult to get once the project was complete. To their surprise, the company manager informed them that the labor subcontractor had run off with the project money. They said to each other, “We followed the wrong person and, in the end, he is a cheat.” “I said that we could not follow the labor subcontractors from the south, we worked for nothing at last!” “What to do next?” Two hours later, CDZ called the workers, saying “Let’s go to the project department. I do not believe the company can run away even if the labor subcontractor did.” They all agreed that the company certainly could not run away, but worried, “What if the company does not recognize us since we reached agreement with the labor subcontractors and did not sign a labor contract?”

As soon as the workers entered the courtyard of the project department, they were stopped by the manager who oversaw the plumbing work. The manager (Q) was the younger brother of the project manager and when he realized that workers had come to demand their wage arrears, he said to them, “Well, brothers, what are you doing? Just tell me what happened and we can talk.”

CDZ replied, “The labor subcontractor ran away, and you have to pay for us.” Q replied, “Your wages are out of question right now and, although the labor subcontractor ran away, how can such a big company run off? Look, the project has not been finished. After the project is finished, we will settle the accounts as soon as possible. Now that your labor subcontractor has run away, you all can report directly to me. Is your wage 85 a day? As of today, it will be 90 a day.”

Hearing Q’s words, CJ hesitated, saying to CDZ that the project would be finished soon and that Q sounded reasonable. What’s more, the prospect of an additional month’s work was appealing and in keeping with the timing for the wheat harvest.

When he shared this thought with CDZ he found that CDZ was strongly opposed and was convinced that the company was simply telling stories to keep them working. He argued that, “Since the project is about to end in a month, we have some bargaining power. But if we work another month until the project is finished and the project department is closed, then we would not know where to demand our wages.” He argued that it was too risky to continue and decided to get his wages and leave the site.

Q saw an opening to negotiate with CJ, and said, “Look, brother, if you leave, the company does not have enough money to pay you. The project isn’t finished nor has it been checked and accepted yet. After it’s had its acceptance check we will settle the accounts immediately. Trust me and continue to stay here for one more month of work. Don’t you trust me though we’ve worked together for such a long time? And, who can we find to finish the project if you leave?”

In the end, CJ and other seven workers were persuaded to work for one more month on the thinking that they would make more money. CDZ and another ten workers did not agree and insisted getting paid and leaving the site. Soon after, Q took CJ and seven workers out for dinner; meanwhile, CDZ and the other ten workers began their campaign for their wages.

Occupying the Project Department

It was is difficult for CDZ and the other ten workers to ask for their wages. The company took an arrogant position, treating the workers as irrational: “Refuse a toast only to drink a forfeit.” The project department did not allow the workers’ to have direct communication leaving CDZ and his workers to resort to the local labor inspection station — where the officials required that CDZ and his workers negotiate directly with the company on the basis that the labor inspectors only handled mediation issues.

In desperation, they occupied the entrance to the project department the following morning — where the warehouse for the construction site was located. This got the attention of the local police and officer L arrived in an attempt to resolve the problem. He informed the workers that they could demand their wages but that they could not block the entrance or they would be punished for violating public security management regulations. In the end, L asked the workers not to make trouble (*nao shi*) and left. It was clear that the local police would offer little help to the workers and that the company had nothing to fear.

In the afternoon, CDZ and his workers went back to the local labor inspection station to ask that the labor law be enforced, but they received the same answer. The labor inspectors also attempted to persuade the workers to understand the situation from the perspective of the construction company, suggesting they wait for the company to solve the situation. Instead, the workers returned to the construction site and once again occupied the door of the project department, insisting that the company settle the accounts and saying that they would not leave until this happened; hours later they were paid and left the site.

Another Round of Struggle

Meanwhile, CJ and the other seven workers who had accepted Q's proposition, remained on the construction site and continued to work with high expectations until the project ended on April 28th. When they approached Q for their wages it seemed that he had changed into someone else completely; when he was not avoiding them, he would refer them to the project manager. They remained on site for two days, moving between their dormitories and the project department. On April 30th, the project manager told them, "We have no money, if you must have your wages today, we will give each of you ¥500 towards your transportation costs. Otherwise, waiting here is a waste of time." Needless to say, the workers were bitterly

disappointed.

CJ and his workers were unable to approach the labor bureau the following day, the Labor Day holiday, and instead continued to approach the company without any progress.

On the morning of May 4th, they each prepared their work point record, took their pass cards, along with phone numbers of the two managers, and proceeded to the local labor inspection station. Prompted by the labor inspection station, the company promised to pay each worker ¥800 per month — a large gap between what the company had promised and the workers' wages; the workers refused. In the afternoon, they took the paperwork to the Haidian labor bureau, but were sent back to the local labor inspection station.

The following morning, the group set out once more to the local labor inspection station and once again asked for intervention. The manager came to the inspection station in the afternoon, and offered to give CJ ¥60 for each day worked, and offered the other workers ¥45 for each day worked. Again, this was well below the original agreement and, again, the workers did not accept.

In desperation, on the morning of May 6th, the workers locked the door of the project department. Once again, the local policeman (L) showed up, asking, "Who is your leader?" "I am." As both CJ and another worker (QC) identified themselves, the others responded as one, "We are too." The police officer asked the project manager to write down how much loss was incurred by the company due to the workers' action. Eventually, the police officer L took the two representatives, CJ and QC, back to the police station. At one point, QC wanted to go to the toilet but was prohibited by an officer who said, "Who allowed you to go? Stay here, and don't go anywhere!" The workers were kept at the police station for three hours during which their confessions

were recorded.

During this time as well, some concerned social workers came to the police station.

The following is a record (translated) of the interchange.

Social Worker: Is this about wage arrears?

Police officer: Yes, they are demanding their wages. Their manager is very good. I telephoned him and he'll come here soon. The workers insisted on locking the door. It's the manager's fault that he did not pay the workers, but they reached an agreement at the local labor inspection station. The workers rejected the agreement and locked their door.

Social Worker: As far as we know the agreement was not reached at the labor inspection station.

Police Officer: Let's leave that for a while. They locked the door and did not open the door even when I arrived. So I brought them here. Their manager is very good; I'll call him and he'll come here in an hour.

Social Worker: When will the manager come here?

Police Officer: Maybe by 2:30.

Social Worker: So why did you bring the workers here so early and yet allow the manager not to come here until 2:30?

.....

Police Officer: We had to solve the problem of the locked door.

Social Worker: But do you know why the workers locked the door? Did they violate some regulations?

Police Officer: They interfered with the normal operation of the company.

Social Worker: But this is a labor dispute. You are only responsible for public security.

Police Officer: The labor bureau solves labor disputes, but the workers interfered with the operation of the company, and they called us so we had to intervene.

The police officer, L, took the two representatives of the workers to the police station at 11 a.m. and held them in custody, while allowing the manager to arrive three hours later, although he did notify the manager numerous times. Nonetheless, the main reason the police officer intervened on behalf of the company was because the workers' action interfered with the construction company's production process, and not on the basis of any regulation violations or broken laws. The fact that this was a labor dispute was not taken into consideration.

After the confession was recorded, the two representatives were released. They were told by one officer that, "It is reasonable to demand wages, but don't use these means again." The workers' representatives asked the police to allow them to negotiate with their manager at the police station because they believed it to be safer there than that at construction site. The police officer (L) objected strongly. The workers finally left at around 3:15 p.m.

Around 4 p.m. that same afternoon, the representatives went back to the local labor inspection station where the officer took the position that the mediation had already been completed. He said, "How is it possible that they would give you the amount you demand? Yes or no? I mediated. If you don't accept, you can go to ask your manager. Our responsibility is to mediate so that both sides can reach an agreement." Later, one manager came to the local labor station to negotiate with the workers. They ordered the workers to negotiate one by one.

In the office, the mediator asked the workers about their demands.

Mediator [M]: I told you, you demanded 85 a day, but how did that come about?

Worker [W]: The labor subcontractor promised this amount.

M: Do not mention the labor subcontractor. And do not mention the 85 a day. You must make some concessions, and I'll supervise the company's payment to you. If you do not make a concession your manager will not accept your position and I cannot solve your problem. You are also responsible for this situation. The labor subcontractor ran away. The manager admits that you are employed by their company. The labor subcontractor escaped with money so it is not the responsibility of the company, is it? It is better to come to a mutual understanding. Can you adjust your demand instead of 85? Both sides must make some concessions, okay? Our time is valuable. Your wages definitely depend on the amount of project you do on the construction site. It is not possible for the company to give you what you want.

W: If they pay us according to the standard of 50 a day, and then take out 10 a day for the living allowance, leaving us with only 30-40 a day — you can't find any construction site in Beijing that would pay such a low wage? The wage we are asking for is what plumber workers make.

The mediator then spoke to another worker:

M: How much is your wage per day?

W: 80.

M: Who says?

W: The boss (the labor subcontractor).

M: Now that the labor subcontractor has disappeared, we can't use that calculation. Let me mediate and find out how much money the company is actually willing to pay. If you cannot reach an agreement, then you have the right to turn to other agencies for help. I hope to solve the problem

today. ... Given that the labor subcontractor has run away, this is a special situation and must be handled in a different way. Here is the wage sheet, let's pay according to that. Who do you want to pay first? Come to the office one by one. CJ you come first.

The workers were called one by one to mediator's office where the manager was waiting.

M: CJ, 75 per day, is that okay?

CJ: Add 10 more per day.

M: I told you, it is impossible. You should sign if you agree.

CJ: I do not agree.

M: The days of work have been confirmed. The problem is the daily wage.

(Turning to the manager) 75 per day for CJ, do you agree?

The manager: Okay.

M: (turning to CJ) If you agree, you can return to the company to settle the accounts and can have your money in one hour.

The manager: Okay. But the project was not finished.

CJ: We got 108 per day when we followed that labor subcontractor last year.

M: What about this (75)?

CJ: Only 75?

M: Yes.

CJ: I cannot accept it.

The mediator then called another three workers and negotiated with them. But almost every worker asked him to add 10 per day. Eventually, the mediator declared that CJ should get 80 per day, and the other workers should get 70, saying that those workers who accepted would be able to get paid immediately. To the mediator's surprise, the workers did not agree.

Worker: We did not demand that wage amount at random.

M: But now the situation is that your boss (labor subcontractor) ran away. The company is acting responsibly here. Normally, you would ask your boss to demand wages on your behalf. This is what I can do. If you accept the offer, you'll get the money immediately. But if you don't, I'm sorry. That's all I can do. The manager will leave and you can take a case to court.

The workers discussed it for a while.

CJ: I think we should force him (the manager) all the same. He is not afraid of the mediator. How much do you think is proper?

A worker: 80.

Other workers: We should insist that the company holds to original agreement.

They gave their decision to the mediator.

M: You think about this carefully. If you want to get paid, do it today. If you do not accept, I can do nothing further. I get off work at 5. How about it? Is that okay? If not, I'll leave.

Workers: Wait, wait.

The workers again brought forward their request to the manager, but were not able to reach an agreement with the company. The mediator left the labor inspection station, and so did the workers.

By the end of the day, the company compromised and promised to pay the workers 70 per day, and CJ 80 per day. The workers refused and went to the project office again the next morning to negotiate. They finally came to an agreement whereby the workers each got 85 per day, and CJ got 95 per day, before his allowance fees were deducted.

In retrospect, CJ said, "I regretted not leaving when the other workers left one month ago. If I hadn't been persuaded by the convincing words of the plumbing manager, and had left with the others, we would have gotten our wages earlier. There is no

other way but to band together and struggle with them. After this experience, we now really know the importance of solidarity.” Another worker who had participated in the action said, “Nowadays the bosses are racking their brains to maximize their interests and deduct workers’ wages. As the saying goes, when people are of one mind and heart, they can move Mount Tai. If workers aren’t united, we are just a heap of loose sand, without power.”

In the case of both CDJ (who left earlier) and CJ (who was subjected to the drawn out negotiations described above), the company severed their labor relationship with the workers the moment they began to insist on their wages. This is an old trick, too often resorted to in the construction industry. When company representatives deny a labor relationship, workers had to justify if they resort to the labor bureau for help to follow the legal procedure. When they find the labor bureau to be ineffectual, as was the case here, the workers are obliged to look to themselves to find the power needed to tip the balance in their favor. This transformation is common as workers come to realize that they are themselves a source of power.

When the workers drew on their own power, as the case described above, they began by initiating a strike, which they found to be ineffective because the project was nearly finished. They then occupied the project department, a secondary consideration in their action. It derives from the typical workplace bargaining power which had been weakened to a significant extent, given the timing in this case.

Clearly, both the police officers and the labor bureau officials served mainly as helpers to the company, each in different forms. The police can intervene quickly in this kind of situation, and have the authority to punish the workers with some severity. The police officers and mediators appear to have been biased against the workers and biased in favor of the company. The police eventually used threat tactics by taking the workers to police station in their attempt to put a stop to the workers’

action after their first intervention, where they cautioned the workers, had no effect. The labor mediator also used threat tactics by insisting that the labor subcontractor had run off, attempting to push the idea that this meant a labor relationship no longer existed with the company. In this way, the mediator appeared to be using the labor law with prejudice. Furthermore, the labor mediator acted in the role of negotiator for the company, advocating a low wage which served only the interests company — rather than negotiating with the workers as a mediator on their behalf.

Here, workers' consciousness was raised during the process of struggle. In the process of pitting themselves against the company, the labor bureau and the police, they came to understand more clearly the role of government. As one of the workers (in the third case) said, "Now I want to know whom on earth do the officials help, the workers or the boss?" They also came to understand the hypocrisy on the part of the managers. Perhaps the most important thing is that they came to realize the importance of solidarity as the worker said, "as long as we are united, workers have their power."

4.3 Conclusion

The way workers used power in the cases described above is not a typical form of workplace power (power that generates from strategic position). This kind of transformative power derives from workplace bargaining power, which in turn derives from the workers' position in the production. As indicated in Chapter 3, informal employment weakens workers' workplace power and derivative workplace bargaining power becomes a complementary form of workers' power. Derivative workplace power has the same effect as power exerted in a more typical workplace in so far as it aims to stop the operation of production. The actions described above — be they occupying the project department, barring entry to the construction site,

or switching off the power — all function to create conditions where work on the construction site is effectively stopped. In order to carry out these actions, workers become engaged with an unfolding of conflict as they begin to act on their understanding of the production process. Generally, workers occupy the sales office only if the construction company doesn't solve the problem or the construction company itself is also unpaid – sometimes workers are organized by these companies. Therefore, occupying the sales office represent a form of escalation.

It can be seen here that the timing of workers' actions is of vital importance. Given the nature of the subcontracting system, work teams are only on the construction site for a short period of time, after which they have to leave and find work on another site with another company. This form of labor differs significantly from labor arrangements in the manufacturing industry where workers finishing the first stage of the product must also produce the second stage in the same location. In the construction subcontracting arrangement, once the well-defined subcontracted project, is complete, say plumbing, workers have very little power in the event of a labor dispute. In the last case described above, when the first group of workers left before the project was finished, the project manager was worried by the prospect of losing both groups and went out of his way to promise fair wages and conditions. Once the project finished and the second group wished to leave, his entire attitude changed.

Derivative bargaining power, when it is deployed in the workplace, is effective for initiating negotiations between the workers and the company. Usually, company's tactics are to delay as long as possible when wage requests are made. However, when workers effect a work stoppage, companies are obliged to take action. Labor disputes are rarely resolved immediately, and sometimes workers have to combine strategies.

In the latter case, the derivative power deployed by the workers was interrupted with some severity on the part of the police. Sometimes, when workers are seen to violate a company's production process, they risk severe punishment (some are sentenced),⁴⁸ even as it appears that government agencies are able to violate labor law. In this context, where protection should be available to workers by way of the legal framework, this framework is instead transformed into means of repression.

⁴⁸ http://e.bjcpn.com/epaper/2011/9/13/News216_1.html

Chapter 5 Making Alliances: Work-Team Based Temporary Alliance as Associational Power

According to a recent report, Liu, a construction worker from Sichuan was tried at the Beijing First Intermediate Court for the crime of intentional injury.⁴⁹

The previous year, on June 11, 2012, Liu and his fellow workers fought with another work team over the use of the tower crane. The single tower crane on this particular construction site was being shared by two work teams, Liu's team and a second work team. That afternoon, both teams quarreled over the use of the crane and a worker from the other team struck Liu with a steel bar. Liu's brother came to his aid and the dispute was stopped.

However, not long after this incident, Liu's brother was surrounded by a group of five or six workers. When Liu went to help, carrying a pickaxe, he was struck on his head and neck from behind, causing his vision to blur as he was fighting another worker in front of him. He responded by striking out behind and when he turned, saw that an old man had fallen to the ground. The old man was dead on arrival to the hospital.

This tragedy escalated out of a common situation on the construction site. Tower cranes are important machines in the construction industry and from time to time are the source of conflicts. The first, and most predictable source of conflict, is that the

⁴⁹ May 24, 2013 <http://bjyouth.yinet.com/3.1/1305/24/8030123.html>

crane is in high demand and workers compete to use it for lifting their particular building materials off the ground to the building site ahead of the others. More important, the labor process under the subcontracting system is chaotic, competitive and poorly coordinated, which means that workers need to coordinate themselves. However, work arrangements (and project management practices) are such that work teams end up competing to carry their building materials first and disputes arise. These disputes are frequently blamed on the workers involved even though, theoretically, this would be a project manager's responsibility.

In construction industry, projects are subcontracted to multiples levels of subcontractors. These contracts are usually not formal or written, and are based on verbal promises which create uncertainty on many levels and can be seen as a form of control. The multiple levels of uncertainty have to do with the overall cost of the project, its component parts, and the profit margins. This uncertainty generates competition and conflicts among the work teams (Qi, 2011). The high level subcontractors usually subcontracted project to different work team in different price and different quality, in which way competition formed in different work teams. Conflicts are also generated in the process of handing work over and, as we have seen from the above example, serious competition for the use of a tower can ensue, with tragic results.

Friction among workers of different work teams is generated by the nature of the labor subcontracting system. Why does the work team not oppose the high-level subcontractor? Some frictions are generated between work teams because of the competition for materials and handovers, but these frictions may not result from antagonism. Is it possible that the workers are aware of the tactics of "divide and conquer" and make alliances? While acknowledging that friction exists among workers, the researcher to some extent ignores the agency of workers' to move beyond these frictions to create solidarity.

5.1 Division within the Working Class and Beyond

It has been said that Michael Buroway has brought back subjectivity to the analysis of the working class and the labor process. He has been criticized for ignoring the subjectivities of workers, such as race, gender, ethnicity, and citizenship. Scholars interested in labor topics have argued that the labor process is diversified by multi-subjectivity.

In the Chinese context, some scholars have argued that the lack of citizenship and ethnicity is the main subjectivity of Chinese worker. The solidarity experienced by people from the same place of origin is seen as an ethnicity created by the “politics of prejudice” (Honig, 1989). Emily Honig, in her study of women workers in Shanghai cotton mills, found that workers from different places remained strangers to one another in the workplace, while workers from the same place of origin formed solidarity along the lines of sisters (Honig, 1992b). When the diversities of language, lifestyle, and habits are mobilized in the capitalist model of production and are used as part of a “divide and conquer” strategy for minimizing and controlling worker alignments, the “politics of difference come into play. In this context, workers are united outside of class lines, on non-class basis, and class disappears into the background. Some scholars emphasize that “created ethnicity” is used by workers to oppose the exploitation of capital, thereby forming “cultures of solidarity” (Wen & Zhou, 2007). But it seems that the division based on that “created ethnicity” still cannot be overcome.

These theories can also shed light on some of the workers’ actions on construction sites. The front-line workforce here is sometimes recruited on the basis of social networks in areas remote from the construction site, and is usually organized by

labor subcontractors from the same area as the workers. Sometimes, work teams are also composed of workers from different places of origin, giving labor subcontractors the prospect of greater control over the workers (Cai & Jia, 2009). However, friction frequently arises between workers that come together from different places of origin.

However, the diversity and division among workers may not be the destiny of workers. The labor subcontracting system can also be a resource of struggle by which workers can unite themselves beyond diversity (Pun et al., 2012; Shen, 2007). But how and on what condition can the divided workers be united?

5.2 Crossing the Boundary of Work Team

Due to the specific organization of production in construction industry, the overall workforce on any construction site is separated into different work units, each composed of workers coming from different places. All the workers are essentially mobile and ready to move from workplace to workplace; they are not formally organized at the level of the workplace, or on the basis of their occupations at a wider level. In the construction industry in China, the work team provides the main form of solidarity for the workers and thereby also the basis of workers' associational power. However, the association power of workers in a single work team is usually limited and the power is weak. For workers to achieve stronger levels of associational power, they would have to organize at a wider level than their primary work team.

5.2.1 United by the Process of the Struggle

XF never expected that he would create solidarity by crossing the boundary of his work team.

On April 3, 2011, a group of nine workers in the plumbing trade went to a construction site in Mentougou in western Beijing. These workers were from Hubei province and all were relatives, having selected XF as their representative. The construction site they entered was the largest shantytown renovation project in Beijing, launched in June 2009. The project they were about to undertake was plumbing maintenance — subcontracted by a labor subcontractor Y, from a labor service company managed by XLL. XLL had a bad reputation for, most recently, having instigated security guards to beat some Sichuan woodworkers when they demanded their wage arrears. Before the arriving of XF's team, the work had been carried out by a group of Henan workers who, when they were not paid on time, used legal procedures to collect their wage arrears. XLL was anxious to replace these workers. XF, meanwhile had been introduced by way of a friend of his to the labor subcontractor, Y.

XF, on the basis of his friend having recommended the labor subcontractor Y, took on the project despite knowing the reputation of XLL (manager of the labor service company). The labor subcontractor, Y, provided the accommodation and living allowance, but the workers had to solve the problem of feeding themselves. Y also gave his assurance that the workers would get nine hours of work each day, and receive a daily wage of ¥100 to ¥160, according to their skills as plumbers.

On July 10, 2011 — after having worked for about three months — the workers asked Y to pay some of the promised living allowance since by then they had little money left for living expenses. Y responded, “I have no money, just wait.” On July 15th, the workers asked again for the living allowance owed them. YL, an associate of Y, asked the workers to wait until July 23rd. On July 22nd, Y gave each worker ¥300 and told them that he had no more money on hand.

The Failure of Ordinary Means

On July 23rd, the workers decided to stop working and demand their wages protesting, “We cannot work without anything to eat and live on.” XF and his fellow workers were angry, and disappointed in the labor subcontractor. Y then told XF to ask the company for wages directly since he had no money to advance the workers. The company refused their request on the basis that they had not yet finished the project. They did not resume working and on July 25th, the workers turned to the local labor bureau for help. There, the official turned them away, stating, “The one who recruited you is responsible for your issue, you should ask him to pay.” They attempted to contact Y by telephone, but the call went unanswered. His associate, YL, assured the workers that Y would come to the construction site the following day. That day, July 26th, Y responded, “I can do nothing since I have no money to pay you.” It seemed to them that there was no way out of this predicament.

Making Temporary Alliance

There is classic poem from the Southern Song Dynasty that reads, “After endless mountains and rivers that leave doubt whether there is a path out, suddenly one encounters the shade of a willow, bright flowers and a lovely village.”⁵⁰ And so it was with this group of workers as they left the construction site that day. At that moment, by chance, they met another group of 19 workers from Hebei province who were also demanding their wage arrears. After some discussion, they decided to apply for legal aid together as an experiment. On July 27th, they telephoned the Beijing non-emergency service center⁵¹ where they were referred to the Beijing legal consultant office. Although the office promised assistance, but no further steps were taken..

⁵⁰ [Lu You "Touring Shanxi Village."](#)

⁵¹ The Beijing non-emergency service center was established in 2007. There are 52 sub-centers with the phone number of 12345. The idea was that, anyone calling this number was to be transferred to the responsible sector.
http://news.xinhuanet.com/life/2007-09/27/content_6802551.htm

By this time, XF and his fellow workers were frustrated after a week without any progress. In the absence of their living allowance, living conditions deteriorated quickly and they resorted to eating instant convenient noodles on credit — which only intensified their frustration. They then prepared a placard and decided to turn to the Beijing municipal government for help.

On July 30th, 16 workers from both groups proceeded to the Beijing municipal government with their placard. When they arrived at Zhengyi Road, not far from the government offices, they had to ask a police officer for the exact location of the offices. Seeing their numbers, and their placard, the officer asked them to return to their construction site. However, they insisted on explaining their situation and asked for his help, which he reluctantly provided by calling the Beijing Municipal Bureau of Letters and Visits on their behalf.

Later, one man who did not tell his identity came to ask the workers to return immediately and threatened that otherwise he would call the labor bureau so that the workers can get nothing. The Hebei workers were frightened and returned to the construction site but XF and his workers stood their ground. Faced with the crisis in their living conditions, XF and his fellow workers knew there was no going back and they may as well burn their bridges and insist on getting paid that day. This unidentified person was unable to do anything at that time, but he promised to help the workers to get wages on August 1st, with the help of the labor bureau and the police officer. Believing him, they returned to the construction site.

They waited on the construction site through the afternoon of August 1st but nobody from bureau or the police showed up and so they returned to the Bureau of Letters and Visits to make their claim. The officials there helped by calling the labor service company which in turn proposed sending one of their staff members over to the bureau to pay the workers the following day, August 2nd, at 5 p.m. The workers were

dubious. Another staff member, HZB, telephoned the bureau and talked to the workers, reassuring them that he was the manager of the labor service company and they would indeed be paid the following day. Feeling they had little choice by now, the workers returned to their quarters on the construction site, even though they did not trust the arrangement.

In the afternoon of August 2nd, XF led both groups of workers back to the labor bureau where they waited. At approximately 3 p.m., 2 officials from the labor bureau, along with the manager of the labor service company, came to settle the accounts.

By chance that day, another two workers were also at the bureau to demand their wages. XF realized then that there were two other work teams in the same situation and they decided to combine their efforts. Of the four work teams, the Hebei team had the largest number of workers.

Dividing and Anti-Dividing Struggle

The labor service company began to pay the workers. At the outset, they had planned to pay XF's work team first, recognizing that XF was to some extent the leader of both teams. Instead, they paid the Hebei workers first after which XLL the manager of the labor service company left the room under the pretext of going the washroom. On his return he presented a detailed list which indicated that XF's team had been paid already. The workers were shocked by this unexpected tricks at which point a female official of the labor bureau said she "couldn't stand it anymore" and asked the manager to verify all this by writing.

XLL refused and blamed XF for making false account and the situation came to a deadlock. By 8 p.m., HZB, the bureau official, promised once more that the workers would be paid the next day, at which point the workers let the mangers leave.

XF was still angry he recalled the process for me. By his account, a family member of one of his team members was in the hospital and in need of money; and a woman with a four-year-old child from another team was almost completely out of money for food. XF said to me, “We cannot be cheated and have our wages postponed time and again.”

Once the 19 Hebei workers got paid and left there remained only 18 workers under the auspices of same labor service company. XF thought it better to make alliance with the other two work teams in hopes of getting paid together. In the morning of August 4th, XF called the workers together to discuss the strategy whereby they all agreed to demand their wages together; and they all promised that whichever team which got their wages first would not leave until all the workers were paid. Until then, they were determined to not let XLL go.

Later that day, around 4 p.m., on XLL’s arrival at the construction site, the workers moved to occupy his office. After half an hour, he agreed to pay and XF’s work team was chosen to get their wages first, but it turned out that XLL brought less money than he did the previous day, and the funds were insufficient for all workers. Fearing XLL was about to cheat them, XF went out to inform the other two work teams of the situation. They reaffirmed their agreement with each other and stayed put. By 5 p.m., XF’s work team had all received their wages and signed their names happily. Workers, when getting their wages are happy, like sunshine driving off the clouds.

The situation shifted as XF’s work team received their wages and gradually drifted off leaving only XF and another fellow worker wait behind to help the other work team. But later, even XF and his fellow worker were called back by their family on the construction site.

Finally, the work team, Z, and two labor subcontractors, Y and YL, were left. Seeing that the other workers had left by then, the two labor subcontractors tried to persuade the remaining work team, Z, to submit evidence to help him explain the labor relationship with the labor service company. The two subcontractors also pretended to be ordinary workers rather than labor subcontractors in hopes of being protected by the labor law. The workers from Z decided to go to the labor bureau just as XF and his team had done days before. At this point, Y was quite worried because, by this time he had already advanced workers ¥40,000 from his funds. This too was a poor state of affairs.

The Strength and Weakness of a Temporary Alliance

It can be seen by this example that the temporary alliance of these four work teams was critical to their success in having their wages paid. In the end, though, the alliance was not quite strong enough, leaving one work team continuing to have a difficult time getting their wages.

Nonetheless, an alliance among work teams is the first condition necessary in the success of the action taken by these workers to take to get the wages owed them. XF and his fellow workers began their action by stopping their work, without success. They then went to the labor bureau for assistance, with limited success. This was a necessary step and important to the process that followed.

In this case, the temporary alliance among the several work teams indicates the feasibility of workers from different teams, and even workers under different labor subcontractors doing different types of work, can be united. It was only through the process of struggle that XF realized the need to make alliances across the boundaries of individual work teams. Which leads to what might be considered a second condition for success: that engaging in the process of struggle will lead to the recognition of a common goal, and that to realize that goal, there is a need to be

united.

Finally leadership is essential: XF occupied a crucial role in making this alliance come about, with the assistance of the other foremen. He believed that justice would overcome wrongdoing, and that there was justice in the world; he was able to bring intelligence, strategic thinking, a firm position, and a degree of diplomacy to the task. He said, “As for the wages, I do not require one more cent, but any one cent less will not be allowed, since this is my hard-earned money, and not the generosity of the boss.” His strong determination and his sympathy towards other workers’ difficulty make him strive for the alliance.

Given the three conditions described above, a temporary alliance is nonetheless fragile and cannot easily withstand the divide and conquer strategy to which these company often revert. The core concern here is the trust relationship between workers from different work teams. Because the workers are segmented by the labor subcontracting system, they are not organically organized, and it is difficult for them to become well-coordinated in such a short time. Even though they might make agreements to stand together through particular workplace actions, these temporary alliances are easy for the company to undermine.

5.2.2 Alliance Based on Organic Solidarity

Although there is much friction generated among the work teams resulting from the subcontracting system, the organization of production has another aspect — the social division of labor as it involves cooperation, as laid out by Marx. The cooperation of workers in the process of production has the potential for a spontaneous organization of workers.

Sowing the Seeds of Dispute

The construction project in this next example was a government urban renewal project located in Haidian Beijing; it was contracted to the Jiangsu Construction Engineering Group [JCEG], which in turn subcontracted the project out. The labor subcontractor (Tian) was contracted to supply the woodworking labor for two buildings in October, 2010. He in turn subcontracted the work to four work teams with workers from Anhui, Hubei, Hunan, and Guangxi provinces. According to their agreement, workers' wages were calculated on the basis of to the total square meters of their work.

The project was finished on August 3, 2011, and wage disputes followed. The original agreement with respect to the wage rates — between Tian and the work teams, and between Tian and the company — were lower in 2010 than in 2011. At the beginning of 2011, some workers demanded a wage increase in keeping with wage increases in the general market. Tian agreed to these demands, and workers that left earlier, and prior to the completion of the project, were paid according to the wage increases for 2011.

The wage increase led to budget problems: The total amount of wages for the workers, according to the new standard, amounted to ¥0.74 million, where Tian had only been awarded ¥0.68 million under the terms of his contract, leaving Tian with a shortfall. Tian knew that he would lose money if he paid the workers according to the new wage level. On August 15, when workers went to the project department to retrieve their wages, Tian was unable to pay the full amount. Faced with the demands of the workers, and the bitter accusations of project manager, Tian fled.

On top of this, the company itself, JCEG, had issues with the quality of the work and the way in which the floor area had been calculated. JCEG argued that the balcony on each floor was not to be included into the area claimed, which meant that the

company would not pay for approximately 50 square meters on each floor. JCEG also argued that the quality of the work was unsatisfactory, and that they would therefore reduce the contract amount by ¥0.2 million, proposing to pay out only ¥0.48 million instead of ¥0.68 million.

The workers were not prepared to accept this calculation since they had already put in the time to build the balcony and they insisted on being paid for the work. Furthermore, they did not accept that their work was of poor quality. One woman worker said, “Now that the company has blamed us for the quality problem, why not simply destroy it with a bomb?”

At the end of the project on August 3rd, some workers went to work on other sites in Hebei and Beijing. Other workers from the four work teams went to the labor bureau and the construction committee respectively. Though both of these agencies did not intervene by enforcing the labor law directly, they did promise to join negotiations with the project department on August 16th.

Struggles at the Negotiating Table

On the morning of August 16th, JCEG assigned five staff members to conduct the negotiations. On the other side, the foremen of each of the four work teams were the obvious candidates to represent the workers. JCEG also invited the officers from the labor bureau and the construction committee to mediate both sides. Police officers arrived at the outset of the negotiations. About 20 workers waited outside the negotiation room, with some standing against the window and others sitting near the door. Staff members from the labor service company attempted to send the workers out of the waiting area from time to time, but the workers claimed, “Your company owes me money, why not allow me to listen?”

The negotiation was difficult since JCEG insisted on deducting part of the wages and withholding the ¥0.1 million guarantee deposit, causing frequent conflict at the bargaining table. The worker's representatives insisted on being paid without any deductions and remained unwilling to compromise. The negotiation made little progress. Workers waiting outside rushed in twice to quarrel with JCEG staff members, and also shouted at the labor bureau officials, "If you cannot solve the problem for us, please write us a reference to someone more competent." Also, shouts of, "Stop the negotiation, let's blow up the buildings," and, "Hit him" were heard. One foreman said, "Go to the municipal government." Through this, the officers and staff members of the JCEG kept silent, and when the shouting died down, the negotiation started again.

The negotiations paused around noon and the amount in dispute was reduced to ¥0.1million. The workers returned to their dormitory complaining, "Evidently the project had been checked and approved; if it was not acceptable, why not make it clear at the time? Now that we've finished the project, they pose these questions?" Some of the workers had rented accommodation away from the construction site and several foremen lived there as well. Here, they discussed their situation and deliberated on the process of the morning's negotiations over lunch.

The negotiations resumed at 1 p.m. By this time ten more workers were waiting outside the negotiation room. Not long after negotiations resumed, one of the worker's representatives rushed out of the bargaining room and shouted, "Don't bargain any more, go directly to the municipal government," and then proceeded to leave with a group of workers. A labor bureau official came out to prevent him saying, "Only ¥0.1 million left to negotiate, why not continue?" The representative responded, "They want to withhold the guaranteed deposit and impose wage deductions. They are not negotiating in good faith. We do not approve of withholding the guaranteed deposit. As for the disputed floor area, there is nothing

we can do now; it has been built and you should calculate the area according to the law.” After the short conversation, the workers gradually calmed down and elected another two representatives to continue with the negotiations. The representatives came out to explain the situation to the waiting workers from time to time. One representative complained, “When it is favorable to us, the officers from labor bureau and construction committee keep silent. But as soon as the managers find some flaws, they open their mouth.” Hearing this, all the workers started talking at once, “They definitely gain from the company... Yesterday I saw the manager give the officials of construction committee the cigarettes.... They are in the same boat singing the same tune...s. They [the company] have money (so they can give benefit), what can we give benefits to them [officials)]? Now we even have difficulty in eating (not to mention give benefit).... Who cares about us?”

At some point, police officers went over to the construction site. The workers guessed that JCEG or the labor bureau officials had called the police for fear of losing control over the situation. On seeing the police, some workers said, “As the saying goes, those who have difficulty can turn to the police for help. Now that we are in a difficult situation of getting paid, so you should speak for us.” In the course of the afternoon, the police locked all the windows of the bargaining room so that the workers waiting outside the room would not hear what was going on.

Around 4 p.m., 15 workers who had left some time ago to work in Hebei province returned to join their fellow workers, who were still waiting outside the negotiating room. Eventually, progress was made: JCEG agreed not to deduct the ¥0.1 million but they insisted on leaving the disputed (completed) floor area out of the calculations, leaving ¥53,000 (calculated according to the amount of ¥0.68 million) unresolved. Additionally, the total amount was calculated on the wage rates prior to 2011, claiming that there was no formal evidence documenting the agreement to raise the wages. Finally, the JCEG representatives called a halt, “That’s it. If you still

don't agree, go to labor arbitration or the court.” The negotiation ended at about 6 p.m.

When the workers' representatives joined the workers waiting outside the room, a number of different opinions emerged. One representative said, “I had no idea, and could not manage the situation anymore,” saying that the total amount of the workers' wages added up to ¥0.74 million, which left a ¥60,000 gap even if they managed to return to the original ¥0.68 million prior to the wage rise. He could not make out whether the gap should be paid by Tian, the labor subcontractor. Another representative estimated that, if they persisted, they should be able to reach ¥0.7 million at most. The representative of the work team that had returned from Hebei was inclined to compromise because they were contracted for work in Hebei; they did not want to spend more time negotiating, and so they found the settlement acceptable.

On August 17th, the workers gathered at the offices of the project department only to find that JCEG was still taking a tough position. The workers responded with anger and occupied the office. Eventually the manager from the development company arrived and asked JCEG to settle the issue that day since the steel fixers and concrete work teams would also ask for their wages as the project came to an end. They all returned to the bargaining table. The JCEG representatives continued to insist that the balcony areas not be calculated according to the total square meters because they were afraid of setting a precedent. Eventually, the workers compromised and agreed on a deduction of ¥35,000 since there was no written agreement documenting the promised wage rise to which JCEG could be held. In the end, the total amount of the wages — after a difficult bargaining process — was agreed upon at ¥645,000. Around 9 p.m. that evening the workers received their wages.

From Production Units to United Agent

Although the workers did not achieve all their requirements, this case is a good example of an optimal outcome. It demonstrates the ability of workers and their representatives to derive associational power by coordinating and agreeing upon their conditions and their actions in the course of launching an action. Work teams as units of production, successfully transformed themselves into a united agency in workplace action.

There are three conditions favorable to producing a unified front in the construction workplace: First, when workers are brought together under the auspices of the same labor subcontractor, their common goals becomes more evident. By contrast, work teams under different labor subcontractors are easy to divide because the usual procedure is to conduct separate negotiations with each work team. This weakens the potential for associational power even workers try to unite themselves. Moreover when work teams come together under the same labor subcontractor, friction may still arise and stand in the way it is easier for the workers to develop coordination, trust, and solidarity.

Secondly, “mutual intercourse,” as Marx points out⁵²— during and outside of production hours — is important for the formation of solidarity between workers, especially when workers originate from different places and belong to different work teams. The concept mutual intercourse is taken from Marx and will be explained below. The importance of mutual intercourse in transforming workplace conditions cannot be overstated. Mutual intercourse arises through connection; in the construction industry, it comes about by working alongside each other, and living together in the construction site dormitories. During my field work, I witnessed these three different work teams under the same labor subcontractor demanded their wage arrears at almost the same time. But they lived in different areas of the living quarter and had little contact after work. Two of the foremen – W and S – had some disputes

⁵² The concept mutual intercourse is taken from Marx and will be discussed below.

about six months ago. When I told W that another two work teams were also involved in a dispute, he said he did not want to cooperate with S and another foremen he did not even know. This meant that each work team struggled very hard individually and spent longer than they might have if they had cooperated.

As stated earlier, capitalist mode of production tend towards labor management tactics of “divide and conquer.” The labor subcontracting system is also effective for generating friction among workers, even for those doing the same type of work or coming from the same place of origin. However, friction must be analyzed case by case. In the case described above, although these workers were identified with different teams, and came from different places, they developed mutual intercourse while spending time together in their living quarters. They lived in rented houses in the same area and shared their meals together. In the course of the negotiations, they ate together, discussed new tactics, and aired different opinions. When they found they had different opinions in the last stage of the negotiation, they insisted on solving their disagreements at the table so that they could coordinate their action before returning to the negotiation table.

Thirdly, during the negotiations, the cooperation and appearance of solidarity between the workers’ representatives and the workers waiting outside the negotiating room is also significant. When the negotiations encountered difficulties, it was clear that the other workers, in showing their anger and at times their intention to escalate, supported their representatives in the negotiation, lending weight to the negotiation process as a whole. Coordination produced in the labor process and the “mutual intercourse” that grew out of working and living together formed organic solidarity, which gave birth to their self-conscious cooperation in the action.

Finally, the role of the official agents also deserves attention. The officials from the labor bureau and the representatives from the construction committee, although

appearing to act mainly as witnesses to the negotiation, at times intentionally assisted the company. The police presence, although ostensibly there to maintain stability, also assisted the company at times by cutting communication between the workers' and their representatives — by locking the windows so that workers waiting outside could not track the progress.

5.3 United Work Teams and Associational Power

The concept of multi-subjectivity is often used to explain why the workers fail to unite. Working class distinctions are frequently understood as static phenomena, and not in terms of a dialectical analysis. Consequently, the subjectivity of the workers is seen as being “enmeshed in a web of one’s own spinning.” Therefore, a dynamic and dialectic analysis is essentially needed. Marx was concerned with the way workers overcome division and form solidarity. He once described the condition of the French peasant “much as potatoes in a sack form a sack of potatoes,” by which he meant that the simple addition of homologous magnitudes were not necessarily an interconnected whole.

The allotment farmers are an immense mass, whose individual members live in identical conditions, without, however, entering into manifold relations with one another. Their method of production isolates them from one another, instead of drawing them into mutual intercourse (Marx, 2008, 105).

However, when it came to the modern working class, he wrote:

Economic conditions had first transformed the mass of the people of the country into workers. The combination of capital has created for this mass a common situation, common interests. This mass is thus already a class as against capital, but not yet for itself. In the struggle, of which we have noted only a few phases, this mass becomes united, and constitutes itself as a class for itself (Marx, Engels, & Lapides, 1990, 34).

While the situation of the peasants can be called mechanical solidarity, the working class can form organic solidarity out of the process of struggle. To transform mechanical solidarity into organic solidarity, two important constituents must exist: the mode of production and mutual intercourse. The latter, the means by which isolation is overcome, is crucial.

The subcontracting system currently used by the construction industry puts the workers into a complex situation. First, people are transformed into workers — workers who live and work with many other workers. And, second, workers from different work teams on the same construction site are sometimes not in communication with each other. In this way, they are both connected and isolated by the labor subcontracting system.

The usual actor is the individual work team and the usual mode of action appears to be what Lee identifies as “cellular activism.” (Lee, 2007,10) Labor disputes on any given construction site can occur on any given day. Most actions, however, are initiated by individual work teams and large scale action is rare. In this sense, cellular activism is a good way to describe the way in which workers struggle in construction industry.

However my study shows that many of the workers struggles can go beyond the pattern of cellular activism and many cases demonstrate that individualized workers can unite in various ways. In their research on construction workers, they echo the findings in this research: “Construction workers, regardless of their differences on the basis of their place of origin, will become united in the struggle for their wages.”(Pun, N., Lu, H., & Zhang, H, 2012, 187) In the cases described in this chapter it is evident that, as soon as the workers realize their common goal, the realization generates a need to unify, and unity comes about through mutual intercourse.

It is clear too, that the uniting of work teams is a temporary alliance, one formed mainly in the process of their confrontation with a company where they had an employment relationship. It should be noted that, while both cases share common features, they also have some important differences.

Both cases indicate that the workers' associational power was strengthened although to different degrees. The first case indicated the importance of one work team's alliance with other work teams even though only part of the work team benefited from this alliance. This can be seen more clearly in the second case in the behavior of workers' during negotiations. It can also be seen when the developer showed concern about the possibility that more workers would join. When work teams take action individually, just as XF's team did at the beginning, they are not able to get their wages promptly.

A work team is the basis for the solidarity of workers, not only within individual work teams, but also between work teams. The work team is the primary unit on which the production and daily reproduction arrangement is built. The work team is the critical organizational link that connects workers from different work teams as well as workers from different places of origin. And the alliance, concrete form of solidarity, is formed among organized workers not among atomized and individualized workers.

For the formation of solidarity, a work team also requires that the foreman, technically the leader, is also a natural leader. Although the work team provides the basis for solidarity, the foreman is the main actor when it comes to link different work teams. It is obvious from both cases described above that the foremen acted as leaders in forming the alliances as well as in the negotiation and resolution of the dispute. The stature of the foreman originates from his ability as a skilled worker

who can offer technical guidance, and on the basis of his role as an organizer of the production; he allocates the workload, coordinates the workers, and records the work points. Foremen have the potential to form the core and embody the authority of the work team (Shen, 2007). Of course, not all foremen are natural leaders. Much of their potential as workplace action leaders depends on the degree to which they are conscious of their role, and on their relationship between foreman and the labor subcontractor.⁵³

Additionally, mutual intercourse is crucial in order for work teams to form alliances among the workers and between other work teams. Foremen are well positioned as leaders in the process of building alliances because they have more chances for mutual intercourse with other foreman and workers from other work teams.

Mutual intercourse plays an important role in the strengthening of temporary alliances that form in moments of crisis. In the examples described above, the strength of the alliance in the second case is stronger than that of the first case. For mutual intercourse to effect the strength of the alliance, it must have salience in the social relations of production and reproduction. In the first case, the workers of the allied work teams did not know each other prior to their dispute, nor did they have mutual intercourse. In contrast, the workers in the second case worked together under the same labor subcontractor where they developed mutual intercourse based on their shared residence. This made it easier for the foremen and the workers to form an alliance and coordinate their actions.

Mutual intercourse is also important in supporting the mechanism of “advance and retreat” in collective actions. In the second case, four work teams under one labor subcontractor not only created the conditions for the workers’ interactions, where trust had been established on the basis of daily work, but also created the condition

⁵³ This issue will be discussed in the next chapter.

where their wages were calculated together and then distributed among different workers. This tactic functions as a mechanism of advance and retreat, where a single work team is prevented from retreating, as happened in the first case. Towards the end of the negotiations, the foundation of mutual intercourse also helped resolve the problem of different opinions and thereby avoided division at the eleventh hour.

Chapter 6 Community-Based Struggle: Igniting the Fire of Discontent

Once, when I went to the workers' dormitory on the second floor of a construction site — an evening in November, 2011 — I heard someone quarreling downstairs, a quarrel that soon escalated into a fight with more than ten people involved. One male worker was hit badly. A crowd gathered; a few workers shouted from the sidelines, and I heard “We’re all migrant workers, keep cool and this will settle down.” Although it looked as though one of those fighting was about to look for outside help, those shouting from the sidelines eventually persuaded the fighters to stop and the onlookers returned to their dormitory. Later, a worker who had been badly beaten returned to his bed on the second floor and lay there crying while two other workers attempted to sooth him and persuade him to think positively.

I learned that three workers in their dormitory were from Hebei and in the same work team; there were four vacant beds in the dormitory so another two workers from Anhui slept on it. The worker who has been beaten had come from Henan and they had all come to the construction site that day. The labor subcontractor involved did not arrange their accommodation in advance and when they came to the construction site there was not enough space for them to live together as a group; some of the workers in the Henan worker's work team were scattered to different dormitories in hopes of finding vacant beds. The fight was caused when the Henan worker found a vacant top bunk, angering the worker on the lower bunk who said the bed was not strong enough and that the dust was being disturbed. They quarreled when the Henan worker refused to move.

There had been another incident a few days prior in the same living quarters where a

worker living on the second floor accidentally poured a basin of waste water over a worker on the ground causing a fight to ensue.

This kind friction occurred frequently in the living quarters and on the work site, and it seemed that most of the friction occurred due to bad management (on the part of the labor subcontractor) and poor living conditions on this construction site. I visited this site over the course of a year and heard almost everyone complaining about the poor conditions. There were more than one thousand workers on this project and the dormitory for all the workers was built on a piece of land that had not yet been developed. There was no drainage system and, after a rainfall, mud and waste water would flood into the residence; the summer heat would intensify the unpleasant odors. An older worker who slept near a window often told me how he could not sleep because of the smell in the gutter outside.

Despite these poor living conditions, and the frequent complaints, no one is prepared to urge the project department to improve them. Yet, in other cases, workers use their place of residence to change their conditions. How does this come about?

6.1 The Potential of the Temporary Community

As China rapidly incorporated into the world economy, it produced a new form of spatial politics of production, a distinctive form of labor regime – the dormitory labor regime (Pun & Smith, 2007). In China the space of labor reproduction has been dominated either by state or by capital. In the construction industry, the space of labor reproduction has been largely dominated and organized by capital (Pun et al., 2012). Dormitory labor regime, though widely used both in the manufacturing industry and the construction industry, varies in its function. The dormitory labor regime mainly serves the manufacturing industry with convenient use of cheap, transient labor and severe discipline of workers. But it means something different in

the construction industry.

The dormitory labor regime in the construction industry not only serves capital by providing cheap and flexible labor, but also makes wage arrears possible and sometimes necessary. The residences on construction sites are mainly prefabricated structures made of steel and rigid foam material — not normal building materials for structures in industrial areas. These residences are generally two or three-storey buildings, usually with eight to ten bunks per room including kitchens, a bathroom, toilets, and storage in the living quarters. Most construction workers live in this kind of living arrangement (not necessarily in the same residence) for eight to ten months a year — forming part of a temporary community where people share similar work and living experiences.

Since the buildings are made of sheet iron and insulation materials, it is very hot in the summer and very cold in the winter. One report described it this way:

It looks like a thatched hut, lacking proper facilities. It is not merely crowded, noisy, hot, but has poor hygiene. In addition, men and women live in the same room without privacy. Furthermore, the toilet and bathroom on the construction site are so crude that people standing outside the bathroom can see what happens inside. Consequently, sexual harassment occurs not infrequently. Last but not least, the living quarters lack a proper supply of electricity, sometimes causing fires to break out.⁵⁴

In recent years, more and more women are working on these construction sites with their husbands. They are meant to be able to live in a “room for a couple” (*Fu qi fang*) — something one hears about in the media occasionally — but I have never actually seen this kind of room in the course of my two years of field work. In

⁵⁴ <http://sacom.hk/archives/455>

actuality, the “room for a couple” is in a shared dormitory and is simply a bed with a sheet surrounding it. The women workers, most of whom do unskilled work on construction site, earn less than the men. But, while there is little private space for couples, it might be that they are the lucky among construction workers because they can have a semblance of family life. Most of the workers can only go home to see their family several times a year.

In some of the dormitories, the electricity is as low as 36 volts, not enough for fans, heating water, cooking, heating, or even for charging mobile phones. The excuse given is that of the safety of the workers. The workers do not believe it; one worker told me, “Safety is just a partial reason. There are other considerations. It can save money, and they want workers to buy meals in their canteens, which are managed by the relatives of the contractors or themselves.” The actual safety problems come from the buildings themselves, such as fires caused by foam insulation which is cheap and highly flammable.

The canteens, managed by the relatives of the contractors or contractor themselves, have very poor quality. Workers always complain that the food tastes bad, that the meat is bad, that there is little oil used for cooking, but they have little choice. Construction sites are often located in remote areas lacking restaurants and the workers only get a living allowance of ¥300-600 each month, too little for eating in restaurant in any case. On some construction sites, workers are not even getting their living allowance in cash and are instead issued meal tickets by the labor service company which restrict their meals to specified canteens on the site. And often, with the low-voltage electricity in the dormitory, the workers cannot cook for themselves. Forcing the workers to consume in the temporary community, serves to support the wage arrears system and exploit the workers again.

On most construction sites, the labor service company is located in the same living

quarters as the workers. The “boss” of these companies eats in a different canteen from the workers, and this arouses discontent as indicated in the words of a workers’ poet:

It is a strange phenomenon on the construction site,
There are two canteens on every site,
The big one is for workers and the small one is for the “red hat”⁵⁵ alone.
Food in the big canteen is tasteless, and meals in the morning and evening
are all soup.
Our meals are leftovers and the sanitary conditions are messy and dirty.
Food in the small canteen is perfect.
It tastes savory whether it is boiled, cooked or fried, and it changes to
something new and nutritious every day.
Such a wide difference on one construction site makes workers’ hearts cold,
How can the workers be popular?⁵⁶

The hot water supply is also generally poor. It is not uncommon for hundreds of workers on any given site having to get their hot water from just one or two electric water boilers which only have a capacity of 25 liters. Workers often do not have the time to wait for the water to reach the boiling point. In the words of a worker from Sichuan:

The textbook tells you that the water boils at 100 degrees centigrade and then it is safe for people to drink. In reality we always drink water at 80 degrees centigrade. Why? If you wait until it boils, then there is no water left since it is not enough.

⁵⁵ Here “red hat” refers to management staffs both from the labor service company and construction company, while workers are in yellow hat.

⁵⁶ Here the writer uses the word *chixiang* which in Chinese has a double meaning: it can mean to eat something delicious, or it can mean popular and/or respectable.

Hot water for showers is almost non-existent. In the warm season, workers can shower with cold water, but when the weather turns cold, especially in winter, it is too cold to shower. And yet, the workers are frequently accused of bad hygiene for their own habits which, more often than not, is simply an outcome of their living conditions — conditions which are subject to the logic of minimizing costs and maximizing profits.

These conditions — poor food, insufficient electrical power for appliances, cold water, muddy run-off, and stench from poor drainage — inevitably cause tension in these temporary communities, tensions between workers, and between workers and the companies. At the same time, as Ren and Pun argue, these temporary communities can be basis for workers' collective actions since workers can be quite skilled at using their living space to develop “interstitial power,” both openly and secretly challenging the power of management, while forging their informal relationship networks (Ren & Pun, 2006).

Beverly Silver argues that, as the organization of production changes, the established work-place-focused organizing model should be reassessed, and a shift to a new model of organizing that was more community-based should be considered (Silver, 2003). The temporary community present at the construction site has the potential for workers to conduct collective action despite the conflicts among workers. As Lebowitz once stated, “capital’s power rests in large part upon its continued ability to divide and separate workers — its ability to put workers into competition with each other, to turn difference into antagonism. Accordingly, an essential part of class struggle by workers involves the effort to combine and to reduce the degree of separation among them” (Lebowitz, 1992,184).

6.2 Mobilizing Discontent as A Way of Acquiring Informal Power

6.2.1 Igniting a Shared Discontent

Hot summer days in June,
Managers and bosses sleep in air-conditioned rooms.
Mosquitoes biting upsets the workers.
Because the rooms do not have 220 volts of electricity,
Workers cannot use fans.
But the leaders of the company do not care.
They say it's for the purpose of conserving electricity and personal safety.
To save electricity on such hot days?
What do we migrant workers do? How poor!
If you leaders see this do not blame me,
Because we want to use electricity in such hot weather.
You decide what ought to be done.

In July 2010, a worker (CJS) from Henan province brought this poem to the office of the construction company. He said to the manager that it was too hot and pointed out that the workers could not even use fans because the electricity in the dormitory was only 36 volts. He handed the manager the poem, pretending to be written by other workers, and asked him to have a look at it. Three days later, the electricity in their living quarters was rewired to 220 volts and the workers were able to use the fan.

This is a curious event. It appears, in this instance, that the communication mechanism between the workers and management is good, allowing one poet to make an improvement. Appearances can be deceiving. The entire picture of the social relations on this construction site will provide a better way to understand why

this poet was able to make a difference.

The Accumulation of Popular Discontent

The construction site in this example was located in the northwest of Beijing. It was developed by Poly Real Estate Group Co., Ltd., which contracted the Jingdu Construction Company. The workers came mainly from Henan and Hebei province and were brought together by a number of labor subcontractors, much as on any other construction site in China today. About 500 workers shared the living quarters on this site. The facilities here were very poor; the production of drinking water was restricted to only two 25 liter boilers which made the possibility of drinking hot water impossible, because the availability per person was too low. On the night of April 17th 2009, some workers gathered at the project department to demand more hot water but the company did not want to make any improvements. Instead, they called all the labor subcontractors to a meeting where the manager shouted, “Do you earn enough money? If you think you have not earned enough money, you can settle the accounts and go anywhere you want to make a fortune.” Not a single labor subcontractor said a word after that and the workers’ demand was refused.

Additionally, the boiler was so poorly insulated that it leaked electricity from time to time, causing shocks. Workers were resentful at being frequently hurt but the company did nothing to improve the situation. On May 10th a worker was shocked and passed out, which caused his head to bleed. He was sent to a hospital where medical examination revealed damage to his heart and a compression of his spine. He was now in danger of paralysis. Prompt surgery was indicated but the fee for the surgery was estimated at 50,000. His brother, who also worked on the site, attempted to get the company to cover the medical fee but the manager would only give 9,000 towards the surgery — far from enough. His fellow workers knew of his injury but could do little.

The canteen on this site was also poor. Workers from Hebei were only getting ¥200 a month as their living allowance so they had to eat at the canteen in the dormitory, run by the wives of two labor subcontractors (under a company from Anhui province). The workers were deducted ¥10 a day whether they had their meals at the canteen or not. In interest of saving money, the workers had their meals at this canteen even though the food was hard to eat. One worker complained, “There is no vinegar in our dishes, because the boss’ wife doesn’t like it. We get angry when we hear such a ridiculous excuse. What if the boss cannot breathe? Should we die of suffocation?”

Discontent was common here, where the standard of living was so low that it could not get any lower. As June came around, some workers needed go home for the harvest and struggles for wages arose again and again. On the 11th of June, more than 20 workers surrounded the labor subcontractor to demand their wage arrears. Fighting almost broke out and the police were called to the construction site, but they did not get their wages in the end.

Disputes and discontent like this accumulated in this production-reproduction space, since most the workers witnessed, heard or even experienced them on their own.

Igniting Shared Discontent

On June 20th, CJS wrote the poem (cited above) and posted it at the project department at midnight; he put other copies up on walls where most workers would have to pass. Since the workers started work in the dark, around 6 a.m., they could not see the poem until noon when they returned to their living quarters for lunch. The poem resonated with the workers and it soon became a hot topic.

CJS then went to the manager’s office with a copy of the poem, acting as though he

came across the poem by accident. He told the managers about the workers' discontent, knowing, of course, that the manager would have seen the poem before CJS arrived. The manager promised to make some improvements. Three days later, the electrical problem was solved; the dormitories were upgraded to 220 volts, and the workers were able to use their fans.

Seize Opportunity and Ignite Cleverly

Poor working and living conditions are common in the construction industry and they cause widespread discontent. Struggles for electricity and hot water broke from time to time. On another construction site, on the 15th of November, 2011, workers returned to their dormitory to find that the water boiler did not work. When three workers went to ask their manager to repair it, their request was refused. The workers then helped themselves to get hot water from the project department. The manager, fearful that all the workers would come to share the hot water, was forced to repair the water boiler.

Not many workers can achieve their goals on their own. Why are collective actions to serve common interests so rare? Why did a poem written by a worker succeed?

One of the main reasons that collective action does come about — even on a construction site where workers are already working in proximity to one another — is the absence of formal organization. Workers are divided into separate and relatively small work teams that are structured by the organization of production.

There is also significant risk in taking any direct or collective action. Delayed wages poses the biggest risk for workers in the struggle to have their interests addressed. This means that workers often endure poor conditions in order to show their obedience, which is why the worker posted his poem at midnight and acted as

though he did not know who the author was.

Collective action also requires an accumulation of discontent which provides a foundation for successful actions. In this situation, discontent accumulated day by day and was exacerbated by poor living conditions. In the three months prior to the posting of the poem, these events drew much discontent from the workers, giving grounds for collective action.

It takes an incident, and usually a leader, to spark the discontent into action. In this case, CJS took advantage of widespread discontent and transformed it to put pressure on the project department. The accumulated discontent provided the foundation and the potential for collective action. Given that the workers lacked other forms of organization to mobilize themselves, the poem posted in a public place was a critical factor in transforming the discontent into a prompt for action. The poem also aroused wide discussion among the workers. Without this resonance, CJS could not have generated enough pressure to prompt the manager to make improvements. Although the workers in this case succeeded, the absence of organization is also evident. To form a stronger power base, more strategy would have been needed.

6.2.2 from Discontent to Collective Action

Collective actions arising from work teams composed mainly of workers coming from the same place of origin are common and frequently reported. Collective action across an entire construction site seems a more difficult action to achieve. Under what circumstances would this happen?

The Rising Discontent

As indicated above, poor living conditions are one of the resources upon which labor disputes are founded. Workers' dormitories tend always to be very cold in the winter

and very hot in the summer. The lack of the most essential services, such as 220 volt electricity to provide power to the most basic appliances (fans, water boilers), exacerbates the discomfort that accompanies the severe weather conditions.

In July 2010, workers on a construction site in Wenquan Beijing simply stopped working under the hot sun one day and returned to their dormitory to get out of the heat, hoping to cool themselves with a fan they had bought. However, they found not for the first time, that there was no electricity to make the fan run. Because there is generally no air conditioning, or even fans available for cooling the dormitories, the workers buy their own fans. The management sees this as chaotic and frequently cuts off the electricity in the name of safety which causes widespread discontent. In this case, some of the labor subcontractors and foreman had gone to the project department numerous times to demand the electricity be upgraded to 220 volts, with no success.

Discontent and frustration rose as the weather became hotter. Workers discussed, complained, and generally criticized the company when they found themselves together, on the way to the canteen or on the construction site. Some workers went to turn on the switch covertly, as they had done many times before. But on this occasion, they had no luck because the wire had been removed.

Collective Action

Having heard the workers hurl abuse at the situation for a while, H, along with his brother, his uncle, and other two signal workers, decided to go to the workers' dormitories to mobilize workers into going together to the project department to demand electricity. Workers gathered quickly in front of the project department and H switched off the power to the project department. Within 15 minutes, management personnel from both the construction company and the labor service company came out of their dormitories and offices to see what had happened. The manager of the

construction company asked who switched the power off. The workers responded ironically, “It’s such a cool day, why use the electricity? We do not even use the fans.” Another manager came out and shouted, “Do you expect us to live in such hot weather with a power failure?” He understood what was happening when he found that groups of workers had flooded in to occupy the managers’ offices and living quarters.

The manager from the labor service company asked the workers to raise the issue with the manager of the construction company. At this point, H’s uncle had brought approximately 30 workers to the construction company manager’s office. The manager came out of the office and threatened to call the police if the workers did not leave. H’s uncle swore at the manager, “You son of a bitch, all you eat and drink are fruits of our labor and you even want to arrest us. You have no conscience”! He said this in his Sichuan dialect which made the workers, some of whom were from Sichuan, burst into laughter. The workers then forced the manager to call the police. The managers blamed the labor service company manager and told the workers that the appropriate wiring had been already prepared for their dormitories. Fearing deception, the workers insisted the company provide electricity immediately otherwise nobody would be using any electricity.

The manger from the construction company then asked the manager from the labor service company to hold a meeting with the foremen immediately, but nobody moved. The situation had been stalemated for almost half an hour, with everyone standing in the heat of the sunshine, when the two signal workers began drumming loudly on the cement mixer.

The atmosphere was becoming exciting. H approached the manager of the construction company and said, “Leader, there is no electricity to use the fan in such hot weather and there are more than ten workers to a room in our dormitories. Can

you ask the electrician to connect the wire temporarily and then install the standard electrical wire after the workers go to work?” The manager replied saying, “The electricity will be supplied in half an hour. All workers get out of here now.” By this time, there were already about 80 workers surrounding the managers’ dormitory.

H turned to the workers saying loudly, “The leader has promised to provide electricity in half an hour. Let’s go to the dormitory. The leader’s word counts. He is not a villain.” They refused, saying, “We will not go back until the electricity is installed!” H winked at his uncle and his uncle led the workers away slowly. However, they did not go back to dormitory directly but went to the electrical box where the electrician was connecting the wires. A few moments later, the fans in the workers’ dormitory was running and remained running that night and every day from then on until late autumn when it had cooled down outside.

Promoting Workers’ Solidarity

It seems easy to mobilize the workers in this case because the workers were united by their common interest and their extreme conditions. However, common interests are necessary but not sufficient. Workers, foremen, and even some labor subcontractors had demanded electricity many times individually but not collectively. The process of collective action required some key elements for success.

In this case, H told me what he had done before mobilizing the collective action:

“My uncle, we have a blood relationship. And, I am familiar with the signal workers because we work together daily. I like to drop around different workers’ dormitories to make friends. I also like to instruct the workers to use the labor right pamphlets if I find they are having problems in the workplace. The workers have my mobile phone number. Sometimes I also

help handle some disputes among the workers, such as the issues that arise between the signal workers and the other workers. The signal workers are in charge of carrying materials and all the workers want the signal workers to carry building materials for their team first. I let them know where the problem lies so that the workers realize that it is the fault of the management and not of the workers involved.

H described his organization strategies. He not only mobilizes his relatives, but also workers that he knows well in the course of his daily work and by visiting them in their dormitory. He said, “I like to discuss the situation on the construction site with fellow workers and talk about what is reasonable and what is not.” In short, his social network is not merely confined to his relatives or to workers from his place of origin. He builds trust among the workers not only on the basis of his role as a foreman, but also by offering help to the workers and by mediating disputes among them. He himself is a skilled worker and so he knows the nature of the disputes generated among the workers; and, most importantly, he sees how the managers and not the workers are actually responsible for these disputes. It was important that he realized that one of the most frequent causes of disputes in the labor process on this site happened between signal workers and other workers. He could also see that disputes happened when work teams were competing to have their building materials carried for them first. Accidents generated from such disputes occur from time to time.⁵⁷ Therefore, when H explained the cause of these disputes — that the managers were responsible for the disorder in the production process — he not only helped the workers recognize the source of the problem, but was able to strengthen solidarity among workers and reduce antagonism between different work teams.

About three or four days before the action, H, his uncle, and the signal workers went

⁵⁷ <http://news.sina.com.cn/s/2005-06-08/02366108090s.shtml>;
http://epaper.jinghua.cn/html/2010-05/15/content_548897.htm

to the workers' dormitories and pointed out the differences between the living conditions of the managers and those of the workers. The workers themselves came up with a strategy saying, "If necessary, switch off their electricity, and shut down their air conditioners."

It can be seen in this case that H and the other activists were sufficiently prepared. They not only strengthened solidarity among workers but also encouraged the workers to think about their conditions on the construction site and work out a way to change them. Once the workers had been prepared in this way, the activists were able to seize the opportunity to take action immediately, and mobilize the workers to put pressure on the project department. H was able to play the role of mediator once the manager compromised, and he made use of this chance to force the manager to install the appropriate wiring promptly. The signal workers intensified the pressure by adding an extra level of intensity to the atmosphere by drumming on the cement mixer. H was also able to convince the workers to back off once they reached their aim — when the manager made the electrician install the appropriate wiring.

Collective Action as a Way of Enlightenment

Researches indicates that class struggle is an important process for forming class consciousness (Edward P. Thompson, 1978). Here, the collective action that arose out of a class struggle (between the workers and management) played an important role in allowing the workers realize their power through solidarity.

Recalling the struggle, H concluded:

"I am very reluctant to take the fan down until the weather turns very cold. I am unwilling to lose sight of the experience of the workers' struggle for our interests, and the solidarity that came out of it. I have thought about it for a long time and I understand that it will not only be pointless but also wrong

if I struggle merely on my own behalf instead of mobilizing the struggle faced by all of us. I've come to realize that helping others is helping myself, and that my own fate is linked with the destiny of the whole group. Only in this way can it be possible to change our destiny.”

In the process of organizing his fellow workers, H was himself also enlightened by the collective action and came to recognize the power that came out of the formation of solidarity of the whole group; he saw the group consciousness, a form of class consciousness, strengthen too.

In this case, the workers' action reveals a relatively high level of organization. H demonstrated his ability as a leader — by creating trust by spending time with his fellow workers and getting them to express their frustration about their living conditions, and by organizing them, along with his own relatives, to take action. He invested time in building a good relationship and thereby gaining prestige among the workers by offering his help in the work place and by mediating disputes. When the time came to act, there was a small close group united around him which guaranteed him the cooperation needed to take action.

in this case, the solidarity mobilized by H and the small group was used to force the management to realize the interest of all the workers, in the following case, the solidarity was mobilized to support the action for the interests of H's work team, which had no direct interest with most of the workers. It indicates that solidarity formed out of the temporary community can go beyond simple direct economic interest and thus be the power of the whole class.

6.2.3 from Work Team Action to Mass Mobilization

On May 28, 2011, the project department of a Beijing construction company

intentionally created difficulties for H and his fellow workers when they requested their wages and their compensation for a labor delay (*wugong fei*). In this case, H made a public speech protesting the wage issues, and about a hundred workers occupied the project department offices. This action by H and his work team evolved into a mass mobilization. How were they able to do this? What was the impact of this kind of public resistance in the labor conflict at hand?

A Labor Delay and Some Labor Law Education

The project, a subway station project contracted by Beijing Uni-Construction Group Co. Ltd. (BUCC), subcontracted the project to a labor service company from Jiangsu – actually not a company but a work team led by a man from Jiangsu who rented the construction qualification from a Shandong labor service company.. The personnel in labor service company (workers call it *laowudui*) project department were mainly from Jiangsu with only one employee from Shandong. The steel processing work of this project was then subcontracted to another subcontractor (Gu) who subcontracted it to a labor subcontractor (Y) from Sichuan province. By this time, there were four levels of contracting/subcontracting in play.

The worker, H, described above, came from Sichuan and was hired as a foreman of an eleven-man steel fixing team under the auspices of Y, the labor subcontractor from Sichuan. Of the eleven, seven came from Sichuan, one came from Shandong, and the other three were Manchu workers from northeast China. The Shandong workers had known H for some time, having worked together two years earlier.

The wage for skilled workers at this time was typically 155 per day; for unskilled male workers it was 130-140 per day and for unskilled female workers it was 110 per day. H, as a foreman, had a fixed wage of 6,000 per month and averaged about 200 per day. They were all expected to work ten hours a day and they arrived on the construction site in mid-April, 2011. The seven workers from Sichuan had, by this

time, signed an agreement with their labor subcontractor Y. Y and Gu had also signed an agreement under the auspices of the labor service company. H's team cooperated with another team of 14 workers from Henan province.

H explained to me, "Although we do not have a labor contract, it is better to have an agreement. As the saying goes, a verbal promise isn't enough." H had once tried to use legal procedures to get a labor contract over the course of a year, and he was well aware of labor law and the nature of legal evidence.

In early May, the labor service company began to sign labor contracts with all the workers on this construction site. When H heard this, he told the workers to pay close attention to the blank spaces. Following his instructions, the workers filled in the blank spaces according to the verbal agreements made between them and their labor subcontractors, and they crossed off the redundant blank spaces. Since there are some unfair clauses in the labor contract, workers are afraid of legal trap – the unfair clauses would be used by the company to put the workers in a disadvantageous position. Therefore, some workers asked others to sign their names instead of their own hand writings at the end of the contract where a signature was needed so that the contract would take effect, considering, "This way, the fake labor contract will not be valid if legal procedures are needed in case of a labor disputes."

The rate of signing labor contracts in construction industry is low. In recent years, to cope with investigation by the labor bureau, some companies sign contracts with workers, but do not give a copy to the workers. An investigation in Beijing in 2013 revealed that 32% of construction workers signed contracts but only 10% were given a copy of their contract.⁵⁸ It turned out that some important items such as the hours of work, the wage level, the time when wages were to be paid, and the amount of social insurance would be left blank. Some of the contracts that companies kept on

⁵⁸ <http://www.nfcmag.com/article/4546.html>

file showed wages lower than agreed to verbally with the labor subcontractors. Workers are usually just urged to sign their names, and to hand the contract back to the labor service company or the construction company. In this way, the signed labor contracts become obstacles or traps when labor disputes occur.

A typical case occurred in June 2012: A worker signed a labor contract without knowing that constructions companies, on the whole, were notorious for manipulating contracts such as unfair clauses, blank clauses, etc. Unfortunately, he was injured in the course of working on that site. When he asked the company for compensation, he found that his labor contract stated a wage of ¥80 per day after he had been promised a wage of ¥220 per day.

H was familiar with these practices and had tactics to deal with them. In mid-May, the project was ordered to suspend its operations in order rectify unsafe conditions following an accident which had caused the death of one worker death and serious injuries to another. This resulted in workers not being able to work their hours and, in their minds, given that May is the best season for work, saw that the stoppage did not allow them to earn their living. The workers went to the project department numerous times to ask when they could return to work. The project department was concerned about the effect on workers' morale should the stoppage last too long, and gave the workers only perfunctory answers. About three or four days had passed, and some workers asked for their wages so they could leave, while others asked for compensation for time lost.

Anticipating that there could well be a labor dispute, H, his brother, and C, a Shandong worker from his team, went to the other workers' dormitory to inform them of the laws regarding compensation for lost work time, and to expose the illicit practices of the company where it rents qualification and does multi-layer subcontracting. The three of them also encouraged the workers to demand

compensation.

Organizing to Demand Wages and Compensation for Time Lost

On May 25th, six days after the stoppage, the three men organized other workers, including the workers from Henan, to demand compensation for time lost due to the stoppage, and to challenge the company over the lack of labor contracts. The production manager agreed to pay the workers ¥70 per day as compensation and he provided one original labor contract bearing the company stamp. The manager promised to respond to their requirements after coming to a decision. The manager also required that only H and another worker from Henan talk to him directly instead of having all the workers confront the project department. H explained, “He intended to split us up and disperse us.”

After meeting to discuss the situation that night, they decided to give the company half a day to prepare. On the morning of May 26th, the project department asked the workers to return to work. During lunch they decided to stop work and make the company live up to its promise. The company told them that the matter would be solved that evening after an afternoon meeting. Nothing happened. The workers went back to the project department the next morning. H recounted to me, “Again they used tactics of delaying and cheating. We decide to go directly to the project department of the BUCC if the labor service company couldn’t solve the situation in one hour.”

They did go to the project department of BUCC one hour later, seeing that the labor service company showed a complete lack of sincerity. The BUCC project department advised them to insist that the labor service company settle things. H said to me “We immediately realized that the BUCC and the labor service company had one thing in common – they had every intention of shirking the responsibility, killing time, and dispersing us. But because I had repeatedly advised the workers about the cunning tactics of these company, the workers were determined to act.”

At about 8 a.m. the next morning the team, together with their labor subcontractor (Y), went to the Chaoyang district Labor Inspection Team office. Expecting this, the manager of the Shandong labor service company and the upper-level subcontractor (from Jiangsu), arrived with a case of money to show their sincerity. They wanted the workers to go back to the construction site to settle the issue, but the workers insisted that the Labor Inspection Team intervene. They were persuaded by the latter who said, “You can come to the labor section again if we cannot solve your problem.”

H related their strategy to me, saying, “In order to stop them from killing time, we held a meeting. We decided to separate into two parties. My brother took five workers back to the construction site to bargain with the manager, and I, along with four other four workers stayed at the Labor Inspection Team office waiting for the news from workers on the site.” H and his group wrote a letter authorizing H’s brother’s group to negotiate for them, and outlined their bottom line. They also prepared their cell phones in order to keep in touch in case of accidents.

On the construction site, H’s brother explained to the labor service company the legal grounds for their requirement. He showed them copies of the two different agreements — the agreement the workers had signed with the labor subcontractor, and the agreement that the labor subcontractor had signed with the upper-level subcontractor in the presence of the labor service company. He would not condone the attempt to have the workers’ wages held back. Finally, they reached an agreement whereby all the workers would be paid according to the original agreement, with the exception of H, from whom they deducted ¥10 for each day. The three Manchu workers were paid equally (according to the principle of equal pay for work of equal value), despite these workers not having signed the agreement, and the fact that their verbal agreement with the labor subcontractor was actually ¥10 to ¥30

lower than they got. The labor subcontractor was paid the same wage level as H, and was granted ¥70 for each day of the stoppage. Once the agreement was signed by the two sides, H and the other workers returned to the construction site.

Community Mobilization and Public Resistance

However, the struggles did not end here. In construction industry, the process of pay-off is in itself an important battle, and it is easy for the company to retaliate against the leader in these kinds of actions.

The labor service company and upper-level subcontractor paid the workers one by one, and demanded that those getting paid leave the construction site. H and the labor subcontractor, Y, were the last to get their money. When it was their turn to get paid, the manager told them to wait until noon the next day, saying that there was not enough money at hand. Y was worried, saying, “Today we will not leave the construction site. I’m guessing that the people of the company will assault us.” H reassured him but suggested he ask the workers who had left the site to return as backup. However, the boss of the labor service company refused to allow the workers to return. H said, “It provoked me and I quarreled with the boss of the labor service company. He said to me, ‘You two can live in the dormitory. Those who got their pay should go to a hotel and use their own money’.”

By this time, there were about 50 workers keeping track of what was happening, including the Henan workers gathered outside the project department office discussing how to get their own money. H said to me, “Besides, all those workers know the whole process involved in our action. I have visited them at their dormitories to inform them of the labor law as well as other issues.”

It was about 8 in the evening, most workers were washing their bowls where it was not far from the project department office. H was in a difficult position and thinking about the way out, “Suddenly, I realized those who were watching what was

happening were an important social force in themselves. So I went to explain to them how companies like this oppresses and disperses workers.”

H’s speech is very effective. A group of Guangyuan workers from another labor service company also came to support H. They did not know each other because they worked under the auspices of a different labor service company but they recognized H by his accent. Maybe their support was due simply to fellow-feeling as villagers (*laoxiang*), but they offered their help. One of the workers standing on the 3rd floor of the dormitory shouted down to the watching workers, “Now that everyone can see how black-hearted this boss is, do we unite to smash these sons-of-bitches?” By now, the number of onlookers had reached two or three hundred and they all shouted and cursed the project department. The Henan workers, who had been watching for some time, rushed to the ground floor and lifted a project department car up, shouting that they would sell the car to pay the accounts of the workers. Another Henan worker called out, “Will we open the door and let the Sichuan workers come back to the construction site?” A number of Henan workers rushed to the door of the construction site where the security guard, seeing what was happening, did not dare stand in the way.

Two police officers arrived at the construction site at the same moment. H’s brother, who was kept out of the construction site at the time, had called the police because he was worried about conflict between his brother and the company on hearing the loud noise. Seeing no fighting, the police rebuked H’s brother, “Why call the police since there is no fighting?” Once they were informed of the situation, the police told the project department to pay as soon as possible so that the workers would disperse, and then the police left the site.

H said, “What the police say doesn’t work because the project department insists that there is no money. Y and I intend to compromise, but we’ll ask them to write down

what they owe and make them promise to pay us at 8 a.m. tomorrow.” H also asked the company to allow all the workers to return to their dormitory but the company managers refused. The Henan workers then invited H and his brother to sleep in their dormitory, but again the company did not allow this.

H told me, “The Henan workers got angry. I realized then that the workers were identifying with what I had told them before. I thought it was the right time to come forward to lead the workers, to raise their awareness of their rights, and to help them protect themselves. And so, I revealed all the wrongdoing of the company, including forced overtime work, the forced fake labor contracts, along with other illegal and deceitful things. I told them that the aim of these actions by the company was to maximize their profits, and I told them to keep their eyes open so that they could recognize the nasty face of the exploiter and see the relationship between the exploiter and the exploited. Only by so doing, could they make their way out of an exploitative situation. I also advocated that the workers use the law as their weapon; that they try their best to unite as many as possible workers together to help each other to overcome this the unequal labor relationship. The crowd turned quiet when I was speaking. All the workers were listening carefully. There were six company personnel in the project department office and they did not stop me either. They may have been afraid of intensifying the conflict if they were to stop me, with so many workers gathered; or they may have thought that the workers would do nothing, even though they understood that what I was saying was completely true. Conditions in the construction industry are so bad, I think that they didn’t believe this situation could be changed by a few hundred workers.”

That evening, H talked for about an hour, and by then it was almost 11 p.m. After he finished talking, some workers were moved to shout, “We have to do things the way H advises.” The Henan workers meanwhile continued to force the company to open the door for the workers who had been required to leave the site after they had been

paid. Finally they gave them the key.

By then, it was almost morning of the next day when they returned to their dormitories. Some workers went to H's dormitory to ask more questions about how they would protect their rights. H recounted, "All the workers had a hard time sleeping that night. To people like us, who had been trampled underfoot for so long, we felt so powerful that even the swaggering bosses felt fear."

H and the labor subcontractor got their payment smoothly the next day. The company did not even drive them out once they got paid. "And what's more," H said, "I suddenly found myself famous on this construction site after that night. Many workers greet me now and some come to me to ask questions about how the process of getting payment works. I try my best to answer their questions; I leave them with useful information and give them my phone number."

Three days after H's team left, the Henan workers got paid smoothly and at the same rate. Workers still working at the same construction site later told H that the labor service company management personnel had all changed except the cook who was not in direct relevance with labor affairs.

6.3 Temporary Community Mobilization as Associational Power

It can be seen above in this chapter that a temporary community, even though it can at times be filled with conflict, can be mobilized, and in this way workers achieve a form of associational power. The conditions that led here, in this case, included a level of accumulated discontent that was experienced and widely shared in the community; a worker who performed the role of leader and pulled the workers

together by educating them to a greater level of awareness of class differences and labor law; and an event that sparked public resistance to involve as many workers as possible.

Discontent is one of the primary catalysts for the premise of community mobilization. In all of the three cases described above, the shared discontent — due to a lack of sufficient electricity, wage arrears, and the inability of the workers to proceed with their work and earn their wages — was widely experienced by nearly every worker resident at the construction site. This makes mobilization possible.

In these conditions, it remains for something to spark the discontent, and someone to direct it. Worker activists are important so that the discontent shared by the community can be transformed into a power that goes beyond so-called “everyday resistance.” Activists, by organizing, can influence the form and power of collective action — the higher the level of organization, the stronger the workers’ power. In the second and third case described above, H actually formed a group of activists (by building trust and respect, and by helping to settle disputes and act as a source of information), which allowed him to organize the collective action to a high degree, and thereby the power amassed is stronger.

The two tactics used to build the strength required to organize to this degree deserve attention. The first tactic was education. H and his small group would visit workers in their dormitories to discuss issues of concern; they were able to educate their listeners with respect to labor law, workers’ rights, and flawed contracts; and also to condemn the wrongdoing of the company. In this systematic way, they were able, in a short time, to raise the awareness of the workers. The second tactic was to alleviate the divisive work place friction. H was able to build workers’ solidarity by mediating disputes that he identified, for the workers, as being the outcome of the production-reproduction space rather than the fault of individual workers.

Additionally, H, as the main activist, also offered his help to workers in the workplace and thus added to the process of building trust with other workers.

Public resistance — whether it be in the form of posting a complaint in a public space where it can be seen by everyone, or whether it be a collective action that involves a work stoppage, or occupying the project management offices — has important implications. Among the forms of struggle, community mobilization is the only form requiring that all the workers working on the same site take action to publicly confronting the power of capital. In other forms of action, the participation of workers is confined to a single (or several) work teams having clear boundaries. But, in the situation where community mobilization occurs, workers move outside the usual boundaries formed by their place of origin, skill level, kind of work, and the work team itself. This movement has a significant impact on participating workers as they become educated in the process. As H said, after the action he felt a sense of “turn over” or liberation (*fan shen*). This kind of action also generates an ongoing impact on labor-capital relations. In the first case described above, two months after the worker posted his poem, two workers posted a board where they had written “Give me my blood sweat money back,” and were able to get their wage arrears. In the third case described above, the initial action also helped workers from Henan get compensation, and changes were made to the staffing of the labor service company.

Workers’ actions, for the most part, take place outside the legal system and do not resort to legal rhetoric. In these three cases, — while workers’ demands were supported by the legal system, and while they were able to leverage labor law by referring to it in their negotiations — the workers activism went beyond what Lee called the legal activism framework in important ways (Lee, 2007). First, the labor bureau and the police played only a small part in the workers’ action described above. H and the other four workers waited at the labor bureau only to leverage the labor

bureau to pressure the labor service company. With limited pressure there followed less police pressure. In any case, the workers' rhetoric behind their action was mainly moral, intending to raise class consciousness, and point out the exploitative and oppressive relations of production. Their collective action, in taking place outside the legal framework, was essentially a more creative form of class struggle, one which formed and leveraged the associational power of the workers.

Chapter 7 Conditional Alliance : The Contradictory Role of the Labor Subcontractor in Collective Action

On July 18 2008, a scaffolder dropped to his death while working on a construction site in Beijing. ZHK, 22, was a worker from Gansu province and, at the time of his death, there were no safety measures in place on this particular construction site. During the spring festival of that year, the Beijing Pinggu District Public Security sub-bureau ordered the arrest of the labor subcontractor LXJ. LXJ, a fellow villager of ZHK, attempted to defend himself by implicating the entire system of subcontracting in place in the construction industry.

It began this way: On February 18, 2009, the labor subcontractor LXJ was detained by the local public security sub-bureau as the criminal suspect in the accident. He obtained a guarantor pending trial eight days later, after paying ¥5,000 bail. On March 17, LXJ was told that the case had been transferred to the People's Procuratorate. Feeling wronged, he stated, "The chaotic relations of project contracting is the root of all evil. I am merely the labor subcontractor at the bottom." At the same time, ZGD, the father of the dead worker, also did not believe LXJ was responsible for his son's death but he did not know how to understand where the real responsibility lay.

According to the report,⁵⁹ LXJ subcontracted the project from LGC, who was working on behalf of the Ding Zhou labor service company. In actuality, LGC, a

⁵⁹ http://epaper.jinghua.cn/html/2009-12/14/content_494134.htm

natural person, rented the construction qualification of the Ding Zhou labor service company. LGC's practice was called attached to the labor service company (*Gua Kao*) which was widely used in the construction industry and was also a key mechanism of the labor subcontracting system.

According to the Construction Projects Safety Management Provisions, special type of work, including scaffolders, can only be employed after they receive appropriate training and certification. However, this is impossible in the current labor subcontracting system where the general contracting company does not employ its own labor force directly, never provide training and check certification. Generally, regulatory bodies do not inspect until after an accident occurs. Nor did the labor subcontractor, LXJ, have any certification, not to mention the workers he contracted, including ZHK. This was also the first time ZHK had ever worked as a scaffolder; by the time of his accident he had been working just about two months. LGC admitted the nature of his connection to the Ding Zhou labor service company, and confessed that he had no safety production manager, and had provided no safety training or safety measures.

LXJ pointed out that the scaffolding work team had started the work in May and got paid on 15 July 2008. On July 18, 2008, ZHK was assigned to another subcontractor, LZJ, also attached to the Ding Zhou labor service company. The manager of the Ding Zhou labor service company identified LZJ as the person responsible for ZKH. The official of the Ping Gu construction management department, however, saw LXJ as having the primary responsibility for this accident since he did not prevent ZHK from doing the scaffolding work even though he knew ZHK had no certification.

On December 8th 2009, LXJ was informed that he would not be charged because there was insufficient evidence. According to the report, LXJ was the only person arrested by the police, and nobody else was charged with criminal responsibility for

the worker's death.

Such tragic stories are prevalent in today's construction industry. The labor subcontracting system and the labor subcontractor are to be found at the core of these incidents. As a consequence, the role of the labor subcontractor is perhaps one of the most controversial. The labor subcontractor is often seen as the epitome of the black-hearted boss, and is usually responsible for workers' wage arrears.⁶⁰ Labor subcontractors are often accused of the crime of withholding wages deliberately,⁶¹ yet, they are also often one of the main group demanding for their wages⁶². The following chapter will explore the role of the labor subcontractor by way of examples of cases of workers' collective actions.

7.1 The Labor Subcontractor: Scapegoat or Root of All Evil?

The labor subcontractor and the labor subcontracting system have long been at the center of attention.⁶³ In the literature prior to 1949, the labor subcontractor was called No. 1 (Q. Wang, 2012). The Chinese people have some familiarity with the system of contract labor through the work of the writer, Xia Yan, who wrote *Baoshengong* (Contract Laborers) in 1936. The term "contract laborer" has subsequently become widely used to refer more generally to workers in poor working conditions who lack personal freedom and are subject to abuse. For example a 1997 article describing labor conflict in China's industrial districts was entitled "Will contract labor recover in China?" (Niu & Zhang, 1997). Ten years later, the Hong-Kong-based labor NGO Students and Scholars Against Corporate Misbehaviour (SACOM) described Chinese construction workers as the contract

⁶⁰ http://zgxczs.cnr.cn/xcth/201210/t20121008_511072949.shtml

⁶¹ <http://news.sohu.com/20130208/n365838163.shtml>

⁶² <http://finance.gucheng.com/201301/2276223.shtml>

⁶³ As explained in chapter 3, the labor subcontractors concerned here are those at the bottom who recruit workers and do not subcontract project to other subcontractors any more.

laborers of the 21st century because of their poor working conditions.⁶⁴

Emily Honig, in her account “Sisters and Strangers,” points out that the contract laborers in the 1930s in Shanghai were primarily young women who were sold by their parents for a period of years (during which they lost personal liberty). In these cases, the cotton mills of Shanghai, the labor subcontractors provided the position in the mill, along with accommodation and meals; the wages of these women belonged to the labor subcontractor. Honig argues that the contract laboring system was an outcome of the monopoly of the labor market by the Green Gang (Honig, 1983). The characteristic feature of this system, during the 1930s and 1940s, was the lack of personal liberty for the period during which the subcontractor owned the contract — certainly not the “free” labor of the system of capitalism as described by Marx.

When looking at the relationship between the construction workers and their subcontractor, it is easy to imagine the construction workers as contract laborers in the pre-liberation era, but their situation is different in an important way. It is true that most of the labor subcontractors currently supplying labor to construction sites also provide the position, accommodation, and meals, and they do make money by selling the workers’ labor power, either to the labor service company or the construction company. The main difference between the contract laborer described by Honig and today’s construction workers is that the latter have their personal liberty — they can choose their labor subcontractor and they can also choose to leave. Yet, the issue of wage arrears serves to limit the workers’ freedom to leave (Qi, 2011).

The labor subcontractors in today’s construction industry are generally not members of organized gangs such as the Green Gang. Most of the labor subcontractors are coming from the ranks of skilled construction workers, and from the staff of the

⁶⁴ <http://sacom.hk/archives/455>

construction enterprises (the inner contractors, *neibu cheng bao*) from the inner contractors of construction enterprises in the early stage of reform (Pun & Lu, 2009). Actually, the labor subcontracting system is common in the history of the development of capitalism. From a historical perspective, Xie argued that the putting out system can be described from two important dimensions – the centralized vs. decentralized; and the direct control vs. substitutive control. According to his analysis, the labor subcontracting system can be seen as a system of decentralized substitutive control (G. Xie, 1989). In one word, the labor subcontractors is a class created whilst the formation of the present accumulation regime in construction industry.⁶⁵

Labor subcontractors have three important roles: boss, supervisor, and worker. They are responsible for paying, organizing, and managing production, and they sometimes work with the other workers. The labor subcontractors make use of the *Guanxi* network of personal obligations and influence to produce loyalty and to restrain the growth of discontent. Therefore, the labor regime in the construction industry has been described as hegemonic (Shen, 2007). The labor subcontractors also use the “core-marginal divide” in their work team to control workers (Cai & Jia, 2009; Shen, 2007). Shen emphasizes the importance of *Guanxi* in shaping the social relationships which in turn shape the labor relationships in construction industry — the labor regime is, to a great extent, reduced to the relationship between workers and the labor subcontractors. The labor subcontractors, the core mechanism in the subcontracting system, have several important functions within the whole system (Pun & Lu, 2009).

Most important, labor subcontractors serve to reduce the risks for the construction company. Too, they are themselves are frequently the victims of wage arrears. By

⁶⁵ It is important to note that the contradictory role of the labor subcontractor has roots in the system of production characteristic of the construction industry, as described in Chapter 3.

using the labor subcontractor, construction companies (and labor supply companies) are not responsible for employing (or taking care of) workers directly. In this way, they create both a flexible and a precarious labor force.

Labor subcontractors, in many ways, act as a valve to reduce the pressure of possible collective action. They function as intermediaries in the relationship between labor and capital, managing a workforce which is fragmented into small individual work teams. In this way, they also function to disguise the actual relationship between the worker and the employer, which is ultimately a relationship based on exploitation. Pun et al. have identified this as a problematic “double” absence: the absent employer and the absent labor relationship which became the main obstacle for workers’ actions (Pun et al., 2012; Pun & Xu, 2011).

One way of looking at the role of the labor subcontractor is from a structural perspective: how the labor subcontractor functions in the accumulation of capital in the whole system of the construction industry. However, this perspective, which characterizes the labor subcontractor as a victim, ignores the agency of the labor subcontractor. In reality, the role of the labor subcontractor in the construction industry is both complex and contradictory — they function as bosses, supervisors, and workers.

Certainly, when they play the role of boss and supervisor, labor subcontractors potentially control the worker and function to extract surplus value. When they cannot get project money, as is frequently the case, they are not able to pay the workers and thereby become the scapegoats as well as the victims of the subcontracting system. However, it must be remembered that they are never passive victims; they can exercise their choice to act as agents in forming and conducting collective action. In this case they cease to function as safety valves and no longer mask the inherent relationships endemic to the labor subcontracting system.

The conclusion to be drawn here is that the labor subcontractors in the reform era of today's construction industry are different than those operating before 1949. Their role has been created by a labor subcontracting system which is intrinsic to the process of the reform. Additionally, the labor subcontractors act out contradictory roles in the construction industry, roles that add new variables to workers' collective actions.

7.2 How does the Labor Subcontractor Contribute to Collective Action?

In two of the cases described above — XF's work team and Four work teams' alliance led by foremen — the labor subcontractors played important roles in the workers' collective actions. In both cases, the labor subcontractors themselves did not get project money and were not able to pay the workers. In this situation they played the role of safety valve for the company, circumventing direct conflict between the workers and the company. Once they finally recognized that it was impossible for them to get project money advanced, they retreated and let the workers do what they needed to do.

In the case of ZYX described in Chapter 2, the labor subcontractor paid workers with funds advanced from his own resources, but was then not able to get the money he had already paid to the workers, nor was he able to get his promised profit. Even worse he was sued by the labor service company.

Despite the difference between these cases, they share similarities in two important ways: first, the labor subcontractor in each case did not form an alliance with the workers and, second, in the case where the workers finally got paid by the company

after initiating their own collective action, the labor subcontractor lost the money he had paid in advance, as well as losing the profit promised him by the labor service company. The main reason for labor subcontractors not allying themselves with the workers was that that they wanted to make sure of the continued cooperation of the labor service company, much as the labor subcontractor described earlier explained his motives as opportunistic: “I assumed that if I didn’t sign a written contract with the labor service company, and decided to pay the workers in advance, the labor service company would see my sincerity and use my services in the future.”

There are of course cases where the labor subcontractors do not form an alliance with the workers because they have received advance funds from the labor service company and have then run off with the money. These cases are exposed in the media and the labor subcontractors are labelled “black-hearted;” they are no longer able to work as labor subcontractors because they are no longer able to recruit workers once their reputation for cheating has been exposed. Labor service companies also delay paying workers their wages by saying that they have given the project money to the labor subcontractor when they may not actually have done so.

However, I found in the course of my fieldwork, that the strategies used by the labor subcontractors did not generally fall into these categories. They tended to form different kinds of alliances with the workers which made the process more complicated.

7.2.1 Labor Subcontractors’ Alliances with Workers

How the labor subcontractor works with workers

W, a steel fixer from Henan province, arrived the construction site on April 22, 2011, with 20 fellow workers from Hubei province. He had been transferred by his original

labor subcontractor to another labor subcontractor, LZJ, and had been promised ¥210 per day. At the end of May, he asked LZJ for his wages so that he could go home for the wheat harvest. But LZJ only gave him ¥500 to pay for his transportation. W went to the project department where a staff member called the labor subcontractor. LZJ, had promised he would pay W ¥2,000 (on the afternoon of May 25), but he changed his mind that evening. LZJ threatened W saying, “Don’t you want to go to the project department to ask for your wages? Just go to the project department. I have no money for you.” Following the intervention of the project department, LZJ gave him ¥1,000, and W then decided to go home for the harvest at a later date. Soon after, W received a call from LZJ telling W that his work team was asking for their wages and that he must join them or he would not receive his wages.

Meanwhile, estimating that he might not make much money on this site, LZJ had subcontracted a project on another construction site, where his work team had a conflict with a concrete work team a few days prior; LZJ took this opportunity to ask for the wages and prepared to leave the site. LZJ raised the workers’ wages from ¥210 to ¥260 per day, and added 10 to 20 days to the workers’ actual workdays. As a labor subcontractor, he expected to make money from subcontracting, but he can only make profit in the form of workers’ wages. LZJ did not reach an agreement with the construction company.

On June 2nd, LZJ invited some of his “friends” (one worker guessed that they were members of underworld) to help ask for wages. According to W, LZJ’s friends mainly helped with this in order to profit from them. LZJ wanted to use his friends to boost the workers’ courage. He organized workers to blockade the door of the construction site in order to build buzz for their wage action. This construction site had two doors, a small door that would allow the cement mixer to pass through, and a larger door to let the trucks carrying steel through.

On June 6th, the third day of their blockade at the large door, the project department called the police. The police came but did not disperse the workers and left soon after indicating that the construction company should mediate with the labor subcontractor. However, they could not reach an agreement until noon that day.

In the afternoon, LZJ asked the workers to hold some banners with the words “Give Me My Hard-earned Money” painted in red. Half an hour later, more than 20 employees of the project department rushed the workers in an attempt to seize their banners and drive them away. People on both sides got injured during the conflict. The police came at some point and took LZJ to the police station. Once LZJ had been taken away the project department employees went away, but the workers continued to block the door. One worker called the local labor bureau to intervene and an official came after a time and approached the project department directly for information.

Meanwhile, W was worried about the wheat harvest; most of the wheat was still standing in the fields and would be ruined by a heavy rain. So he went to the project department to ask for his wages — at the rate of 210 that LZJ had promised at the outset — but the rate was lower than that was on the wage sheet submitted by LZJ. This served to remind the company that LZJ had promised the workers’ wages at a lower rate than LZJ asked the company to pay. The company told W that he would only get paid if LZJ signed, but LZJ was away at the time and had not yet returned. LZJ would not have signed even if he had been there at the moment.

LZJ was released on June 6th. Meanwhile, access through the large door of the construction site had been continuously blocked while LZJ was negotiating with the company. An agreement was finally reached where the workers would be paid at the rate of ¥210 including 8 to 10 days off compensation for work that had been delayed by the concrete work team (which was calculated according to the workers’ normal

wages). Each worker was given compensation in the amount of ¥3,000 for their being forced to leave in advance. Included in LZJ's demands was the condition that company pay out the entire amount of the compensation to him, and that he would deal with workers' compensation himself. The company agreed, knowing full well that he would make money in the process.

After receiving funds from the company, LZJ and his "friends" began to pay the workers. All the Hubei workers received ¥500 in compensation and were deducted ¥600 for their living costs and ¥300 for the key card, which meant that every worker from Hubei had to give LZJ ¥400. W, because he had come a day late to blockade the door, was deducted ¥300 compensation and only received ¥200 compensation. He was also withheld ¥600 for his living allowance and ¥300 for the key card. In the end, he gave ¥700 to LZJ. In all, LZJ made about ¥70,000 on these transactions leaving the workers unhappy over the way he had managed the living allowance and the fees for the key card. They left Beijing as soon as they were paid.

A Win-Win Result

The example described above shows how a labor subcontractor can work against the best interests in the workers in harmful ways. The following example will describe a win-win strategy that was deployed to benefit both the workers and the labor subcontractor.

LT and LP came to Beijing from the northeast as workers in the early 1990s and later became labor subcontractors. They subcontracted projects and then worked together with work teams that were led by a foreman. As labor subcontractors, their role was threefold: to looking for a project, to provide a daily living allowance to the workers, and to help with wage demands should they occur.

On January 7, 2013, the work team they had organized completed the project to

which they had been assigned, but the company would only pay part of the total of their wages. LT and LP planned to organize the workers to demand payment the next day. They also mobilized a few “friends” to help them, in this case not members of the underworld but workers, foremen, and even labor subcontractors who were courageous and experienced with this kind of struggle with construction companies. DF was one such friend and also a fellow villager of LT and LP.

Early on the morning of January 8th, six people set out from the village where they were renting rooms. They arrived at the construction site around 9 a.m. where the work team had just finished their 50 days as woodworkers. All the workers were waiting in their dormitories (some of whom were only in their twenties). LT told the workers to demand payment at the rate of ¥260 per day, at the very least ¥240 per day, and then left. One worker told me that LT was negotiating with XL, a staff of the labor service company.

Half an hour later, LT came back again and called on all the workers to occupy the project department offices. XL and another staff member were waiting at the entry to the living area hoping to stop the workers from going to the project department. XL said, “We can negotiate harmoniously. Do not destroy a good atmosphere that we make a great effort to create here.” But the workers did not pay attention to what he said. LT stood to one side, perhaps hoping to find an opportunity to bargain but in the end he followed the workers.

XL then called the project department forewarning the department of the workers’ action. By the time the workers reached the gates of department a few minutes later, four people were already waiting. One shouted out, “What are you doing? Do you want to solve the problem or make trouble?” The workers replied, “Of course we want to solve the problem. Why not pay us when the project was completed?” LP stepped forward in the midst of the clamor and said, “XL cannot solve the problem

so we came here to demand that the project department honor our wage demands. Fellow workers, if you trust me, give me one hour to talk with the manager. If I fail you can do anything you want to do.” The workers agreed and retreated a short distance. DF spoke out saying “I should stay here so that the boss won’t escape.” “Yes, watch him,” some workers responded. It was agreed that DF stay at the project department.

Not long after, LP came back and told the workers that they should wait until the manager of the labor service company came to the site at 1:30 p.m. that afternoon. By then it was already the lunch time, and LP asked DF to buy some meals for his friends (it is an unwritten rule that the primary labor subcontractor will pay the bill). Around 2 p.m. that afternoon, all the workers were called out of the dormitory and about 40 workers moved toward the project department with strength and vigor, arriving at the meeting room on the second floor only to find nobody there. They shouted out and looked for the manager, eventually finding him on the first floor. The workers all crowded in shouting, “Will you pay us? We have finished the project. Give us our money so that we can go home.” To their surprise, the manager asked, “Did you sign contracts?” Angered by this, a worker responded, “Why didn’t you ask us to sign a contract when we began this project? Now that we’ve completed the project you’re asking us to sign a contract? Shouldn’t you be signing a contract with us?” Another worker shouted, “Don’t play games with us about signing contracts. Just give us our money and we’ll go home for the spring festival. Call the person responsible for making this decision. We don’t want to talk to you. ” Workers shouted and scolded him loudly. At this point, DF even pretended to start a fight. The manager relented and said, “If you want to be paid, you’d better choose one representative, because it’s hard to talk with so many people.” The workers responded that they only represent themselves, that they didn’t trust anybody, and that the most important things was that they got their payment.

The manager called all the workers into another meeting room to negotiate but then continued to put off the negotiations. Another worker spoke angrily, “You asked us about having labor contracts. You’re a manager with at least a college education, why do you? I don’t have much education, but don’t talk chop logic with me pedantically, I don’t care whether we signed a labor contract or not. Our wives and children are waiting to for this money, and we need to bring our wages home. When we’re working, all you do is to inspect our work and find ways to fine us. So aggressive then, but why not give us our wages now?” Faced with this bravery and courage, the manager relented and told the workers to take their work point records directly to the company. LT and LP prepared to negotiate with the manager, and the workers gradually left the meeting room. Later DF informed them that representatives from the construction committee and labor bureau were present as well. After a difficult negotiation, they were paid at the rate of 240 per day.

Discussion: A Leader, Mediator, or Blackmailer?

Both these cases described above are frequently seen in cases where wages are demanded and when labor subcontractors are involved. Labor subcontractors seem to fall into three categories: leaders who help workers organize in the face of wage disputes, mediators who will negotiate with the company on behalf of the workers, and last but not least, as exploiters who profit from the labor of the workers.

In both these cases, the labor subcontractors joined the workers, and even took over much of the process, providing strategies for demanding the wage arrears. They decided when and how to take action to pressure those at the next level up, either the labor service company or the construction company. The labor subcontractors also functioned as the unquestioned representatives of the workers in the negotiations with the companies.

Also, in both cases, the labor subcontractors invited backup in the form of outside friends, some of them also foremen and labor subcontractors. They did this to encourage the workers and create buzz. In order to make a profit in the process, the labor subcontractors would usually propose a higher wage level than the one they promised the workers, so the conflicts between the workers and the company would inevitably become more intense. It then becomes important to have backup in the form of bold and experienced friends who serve the purpose of encouraging, and sometimes leading the workers to confront the company. In some instances, when the labor subcontractors failed to demand money from the company, they would ask the workers to give up a portion of their wages to the subcontractors, as exemplified in the first case. In these instances, the friends are used to deter the workers. But these methods are largely harmful to the relationship between the workers and the labor subcontractors because, in the end, the workers will generally earn less than they were promised.

The safest role for the subcontractor is as a mediator. In instances where the labor subcontractors chose to lead the workers into an action, and throw themselves into the fight, they are more readily suppressed. In the second case described above, LT and LP played the role of mediator, and DF played the role of leading the workers and quarreling with the company, which made it easier for LT and LP to be accepted as the workers' representatives in the negotiation. But to bring this about, it was important that the workers were willing to cooperate with the labor subcontractor, which allowed the more bold and the more experienced workers (sometimes the foreman of the work team), to successfully lead the workers.

It is easy enough to call the labor subcontractor a blackmailer, especially in the first case. However, the fault may not rest entirely with the labor subcontractor. The subcontracting system has created a particular class acting as labor recruiters, managers, supervisors, and even investors, but their interests are not guaranteed in

this system. The project management company knows the situation but they will not compromise their own interests unless the labor subcontractor can wield enough power, for example, by blocking the door to the construction site, or occupying the offices of the project department.

Furthermore, a “win-win” relationship between the workers and the labor subcontractors is not always possible. The “black-hearted” labor subcontractors may well cheat the workers from time to time, but they are also abandoned occasionally by the workers.

The Labor Subcontractor Abandoned

When I met these workers in November 2010 on a construction site, they had worked there for more than eight months. They were steel fixers from Hubei province and had been introduced by a friend to the labor subcontractor, a man from Sichuan province; it was the first time the workers and the foreman (also from Sichuan province) had worked with this subcontractor. They had all reached an agreement at a wage rate of 100 per day before beginning at the construction site. Throughout the eight month period, several workers had already left, collecting their earnings at the rate of 120 per day.

When this work team first came to the construction site on April 16, 2010, the company required them to sign a contract which indicated that their wages would be calculated on the basis of the project completed (not by day) and the project was about to finish by August of that year. Meanwhile, the contract was taken away by an Anhui labor service company. However, the project was completed in November, three months later than expected, and workers felt unfair to be paid according to the project finished which meant that workers would receive much lower daily wages.

Initiator of Strike

In the morning of November 21st, the labor subcontractor (CD) instructed the workers to initiate a strike. He was having difficulties receiving project funds and wanted to put pressure on the Anhui labor service company by way of a collective action. They stopped work in the afternoon, just when they were about to seal the roof on the building. The labor service company was unaware of their action because it was windy that day and a number of other work teams were not able to work either.

On the second day, November 22nd, a manager from the labor service company (W) came to call the workers back to work but they refused, insisting on being paid before returning to work. W said that workers would be paid only after completing the project. Both sides were unwilling to make concessions. One of the workers explained, “Even our boss [the labor subcontractor] cannot get money, so we definitely can’t work anymore.” W got angry but the workers nonetheless handed in their application for their wages. W said to them, “Here are the copies of your contracts, you can sue me. We have the contract, and if you want to get paid before finishing the project you will only get 60%.” This only strengthened their determination to leave.

They then went to the local labor bureau to ask for help, but the official there asked the workers to negotiate with the company first. Not all the workers wanted to get their wages and leave; a few, including the labor subcontractor’s relatives, planned to stay and so did not participate.

On November 24th, CD, the labor subcontractor, proposed that the workers ask for ¥140 per day (more than the 100 per day they were promised originally), and also ask the company to pay ¥300 per month as their living cost. CD in turn promised to pay the workers ¥120 per day in keeping with the daily rate already paid to the several workers who had already left. This way the workers would be required to

return ¥20 per day for each worker back to CD. He also asked the workers to sign an agreement to that effect: “[name of worker] owes CD [to be filled in] RMB.” The workers agreed on the plan but refused to sign the agreement.

Workers’ Transformation

An experienced worker (H) proposed that the workers not return the 20 per day to CD since he did not work, and also given that he had treated the workers badly. But, his proposal was only supported by the foreman. Others thought it was inappropriate saying, “We agreed to give him 20, how can we go back on our own word?”

On November 25th, five days after initiating their action, the workers went to the local labor bureau and informed the official there that the company was unwilling to pay; the official in turn told the workers to get their payment according to the terms in their contract. They responded, “The contract is illegal. If you do not take action, we will go directly to the Haidian labor bureau (the higher level labor bureau).” After a brief period of bargaining, the official agreed to go to the construction site the next day and negotiate with both sides. He also asked the workers to prepare their work point records and their wage sheets.

On November 26th, the local labor bureau came to the construction site and organized the negotiations. Workers demanded wages of ¥140 per day and a living allowance of ¥300 per month; the labor service company agreed to pay ¥135 per day but no living allowance. Negotiations came to a halt when the workers insisted the agreement they had negotiated with the labor subcontractor (of ¥140 per day and ¥300 per month living allowance).

The workers then turned to H who again insisted that the workers give nothing to the labor subcontractor; H maintained that the labor subcontractor had shown no care towards the workers since they had arrived at the site eight months ago. He reminded

them that the living conditions were terrible, that no one had helped them demand better conditions, and that CD had done nothing for them except call them out to stop work. He said, “All this is our own hard-earned money, so there is no need to give him 20 per day.”

Although the company’s proposal did not meet workers’ demand (¥140/day for wage, and ¥300/month for living allowance), it was higher than the rate the labor subcontractor promised (¥100/day) when they entered this site. The workers were also aware that the weather was turning cold and further delay would only make things more difficult. Taking all this into account, they decided to accept H’s position and accept the company’s proposal.

At the end of the day, they changed their position with respect to the labor subcontractor. Their change in attitude cannot be solely attributed to H’s instructions, but his perspective on the situation resonated with their discontent with the labor subcontractor.

Destructor

When they told the labor subcontractor what they had decided that night he shouted, “You cannot get the money unless I get what I asked for from you.” He also told one of the workers that the manager did not agree to pay them ¥135 per day, and they would only get 110. Several workers, mainly relatives of the labor subcontractor, were tending to agree but their attitude annoyed the other workers who insisted on staying the course. The work team was now divided into two camps, with eight workers insisting on ¥135 per day, and the other five insisting on ¥110 per day. They were rightly worried that this division which would reduce their power and a quarrel broke out. L, one of the workers insisting on ¥135 per day, blamed the others for their weakness, accusing them of fleeing instead of fighting. He expressed his resentment to me later, “It was pretty intense during those days. But when we were

discussing how to go about getting our wages they didn't participate and they often weren't even there; they were roaming around outside.”

Labor subcontractors, according to the research, often mix their relatives in with the other workers as a way of dividing and controlling their work teams (Cai & Jia, 2009). This case is a good example of this process in action. Here, the relatives did not participate and were the first to promote the idea of a compromise. In this case, however, it occurred to the workers that the manager of the labor service company might not yet have been aware of the division forming among the workers, and so they went promptly to tell the manager their decision — an immediate payment of ¥135 per day. The manager agreed to pay the following day once the labor bureau official was on the scene to witness the transaction.

Around 2 p.m. on November 29th, when all the workers had gathered at the project management department, the labor service manager began to pay the workers while taking photographs as evidence. All the workers were paid at the rate of ¥135 per day.

The manager later revealed that he had two plans. One plan was to pay the workers ¥110 per day, allowing 25 per day for the labor subcontractor, on condition that the labor subcontractor made the workers accept the deal. The other plan was to pay ¥135 directly to the workers. The manager proposed the first plan at the outset, hoping to secure his relationship with the labor subcontractor in the even of future projects. But, given the undesirable prospect of drawing out the collective action, the manager was under pressure to handle the situation as soon as possible.

Forced to Abandon the Labor Subcontractor

A labor subcontractor can sometimes violate his commitment to his work team causing them to sever their relationship with him. In the last case, the work team lost

faith in his commitment to look after their best interests and so decided to abandon him. It can also be the case that a labor subcontractor may be controlled or hurt so as to force the labor subcontractor to get out of the struggle which can be called forced to abandon the labor subcontractor.

The labor subcontractor in this next case (LJH) was badly beaten at around 6 p.m. on September 20, 2012, near the construction site where he had been working. When I saw him in his hospital bed, LJH was still slept barely conscious and waiting to be examined. His waist and arm appeared to be badly injured.

It turned out that LJH had recruited 15 workers to work at a construction site in the Chaoyang district a month earlier, in August 2012. On September 10th a worker was badly injured by a brick falling on his head from a floor above him, leaving him with a blood clot in his head. The doctors informed two of his fellow workers, LYF and LW, that the clot could lead to a constriction of the nerves which could then lead to numbness of the limbs, and they recommended immediate surgery. The surgery was expected to cost 30,000, and the hospital recovery was expected to cost another 20,000. It was thought that the company should take responsibility but they refused to pay. LJH went to the company to demand they cover the costs and the company promised to pay the next day. However, the promise was not realized. LYF discussed the possibility of blockading the entrance to the construction site with LJH but LJH thought it was not a good idea because they had worked there less than a month at that time.

On September 18th, the work team finished the project and approached the company for their wages. LJH, as the labor subcontractor, called his friend LD to join him to negotiate the payout with the company. He asked for a total amount of 19,000 but the company refused. In the afternoon of the 19th they resumed negotiations, and LJH reduced the total amount owing to 17,500. The company refused once more

without putting forward their own proposal.

Later that evening LJH and his friend LD left the project department to have dinner in the village near the construction site. Suddenly, a few workers emerged from nearby and began chasing them. LD was hit on the back, but LJH was badly beaten. According to the boss of the restaurant, LJH was attacked by about six young men carrying sticks, pickaxes, and even knives. They ran away quickly as soon as LJH was beaten to the ground. LD called the police immediately but the police did not arrive until an hour later by which time the attackers had disappeared.

A few workers then accompanied LJH to the hospital and took care of him. Afraid of further violence, the other workers stayed at the local police station rather than going back to the construction site to sleep. LD, LYF, and LW discussed the situation and decided to continue to lead the workers in their demand for wages. They decided that LD and LYF would support the workers. LD was on the wage sheet as the subcontractor's helper but did not dare get involved in the wage dispute given the situation. LYF, who had already received 10,000 but had not yet paid the workers, was afraid to come forward to lead the wage demand. Finally, it was LW who went to the local police station to organize the workers who had spent the night there.

LJH later told me, "I insisted on 260, even though the workers' requirement was 180, so when I was beaten down, they ended up paying the workers 180. Most of the workers only ask for their basic interests, but I go after the hidden interests. 180 is for an eight hour work, but we worked at least 10 hours a day. What about the two hours of overtime work? No one can strip me of my right to develop (*Mei you ren neng bo duo wo de fa zhan quan*)," said LJH.

Discussion

In the first case, the alliance formed between the workers and the labor subcontractor

was abandoned by the workers after having second thoughts, and once it no longer seemed advantageous to them. In the second case, the alliance formed between the subcontractor and his workers, was broken by the company. Despite their differences in several respects, both cases demonstrate two important types of alliances formed between labor subcontractors and their workers — alliances which ultimately failed in the sense that the labor subcontractors did not get their own interests.

These cases are similar in the sense that they shared the common strategy of many labor subcontractors, which is primarily to make a profit by increasing the wage level of the workers, or adding work points to the wage sheet. In the most cases, the companies do not record the workers' work points; they depend mainly on the wage sheet generated by the labor subcontractor or the foreman, which makes it easy for the labor subcontractor to add work points. This is the primary, and perhaps the only way a labor subcontractor can make a profit from the labor subcontracting system.

These cases also shared a similarity in that both alliances were vulnerable to being broken. In each case, the alliance between the workers and the labor subcontractors was broken, either by the workers themselves or by the company. In each case, the workers eventually got paid but the labor subcontractor failed — and so, the labor subcontractors become the main victims in some circumstances. When everything is taken into consideration, the labor subcontractors lack the power to bargain with the company unless they can successfully organize the workers.

These cases, on the other hand, are different in the sense that the relationships between the labor subcontractors and the workers differ significantly. In the first case, the labor subcontractor was playing an end-game with the workers. His treatment of them throughout their residence on the construction site, and in the final stage of settling the wages, ensured they would not follow him again. Once the alliance was abandoned, the labor subcontractor's actions were destructive of any

future relationship. In the second case, the workers will continue to follow LJH. One foreman observed that the workers trusted LJH, but that he always ended up fighting on his own, often hurting himself, because his fellow workers could not keep pace with him.

These cases also differ from one another in the sense that the autonomy of the workers was different. In the first case, the workers acted autonomously by first agreeing to strike when the labor subcontractor prompted them because they trusted him to negotiate successfully for the wages owed (Shen, 2007). Once they realized that the labor subcontractor's actions were not in their best interests, they realized they had to act quickly and on their own. They discussed possible consequences and worked out their own strategy to respond to the situation, where in the second case the workers depended on LJH. That is why the result was different when the alliance was broken. In the first case the workers — especially those who were not relatives of the labor subcontractor — persevered forcefully on their own; in the second case the workers compromised quickly not long after the labor subcontractor was beaten. The fact that the company resorted to violence, thereby causing terror, added to their retreat from negotiating a fair settlement. LJH concluded, “My fellow workers are more and more confident in me, but they still fear those with chains [members of the underworld].”

Finally, the relationship between the labor subcontractor and the company was also different in both cases. In the first case, the attitude of labor subcontractor towards the company was ambiguous, while in the second case, the labor subcontractor stood firmly with the workers. “Without the workers, we are nothing,” said LJH. After years of working as a labor subcontractor, LJH came to understand that the labor subcontractor and the workers are dependent on each other under the current system.

7.3 Labor Subcontractor, Collective Action, and the Labor Subcontracting System

The cases described above demonstrate the role of the labor subcontractor in different situations. The labor subcontractor can act as boss, leader, or even victim. His role can be a constructive one or a destructive one. It is a contradictory, one role that is primarily determined by the relationship of the labor subcontractor with the workers as well as that with the company.

The relationship of the labor subcontractor — with the workers and the company — is set out in the following schematic:

Labor Subcontractor	The Labor Subcontractor's Relation with Workers	The Labor Subcontractor's Relation with Company
XF's work team four work teams	No alliance, broken relationship	Broken, victim
Zhang YX	Alliance, broken	Victim
W's work team	Alliance, broken	Broken
LT, LP	Alliance, cooperation	Broken
CD	Abandoned alliance	Cooperation
LJH	Alliance broken, cooperation	Broken

In all these cases, whether the labor subcontractor forms an alliance with the workers is largely determined by his relationship with the workers as well as that with the company. As I attempt to show in the table above, it is hard for the labor subcontractor to cooperate with the company at the same time as with the workers. In X's work team, the labor subcontractor, at the outset, plays the role of safety valve

for the company and does not form alliance with the workers; in the process of the workers' action, he also contributes to cheating the workers. But once the workers take action themselves, and are successful in their demand for their wages, the labor subcontractors themselves cannot even get their money paying in advance. In this sense, the labor subcontractors are typical victims — they broke their relationship with the work teams, and their expectation to cooperate with the company cannot be realized. In Zhang YX's case (as discussed in Chapter 2), the labor subcontractor was simply a victim of the company. He formed an alliance with the workers, but the alliance was eventually broken after the company paid most of the workers' wages and the money he advanced, and the profit he had been promised evaporated. Furthermore, the company has made a countercharge against him and finally he not only lost his interest but also the cooperation with the company.

In the two cases where an alliance was formed, it lasted until the wage action process ended. The different strategies employed by the labor subcontractors resulted in different relationships between them and the workers. LT and LP, due to their long working relationship with their work teams, were able to make their own profits on the basis of the wage settlement, while at the same time were also able to ensure that the workers received their promised wages.

It is not a given that, in the event that the labor subcontractor wants to form an alliance, the workers will necessarily accept. The trust relation between the workers and the labor subcontractor is important (Shen, 2007). The workers trust labor subcontractors, not because they are labor subcontractors but because they have demonstrated their ability to deal with problems. CD was a labor subcontractor in name only in the eyes of the workers, because he did not help deal with other problems encountered by the workers, such as ensuring their living allowance, preparing for the tools, or caring for their daily lives. Furthermore, this labor subcontractor was mainly interested in staying on good term with the company and

once the workers realized that he was irresponsible, and merely concerned with his own interests, the alliance was abandoned.

In the cases where labor subcontractors form alliances with the workers in opposition to the company, they had a better chance at a win-win situation. But this depends largely on their demands and the tactics they choose, as described in LJH's case. His tactics were the same as those of the subcontractors LT and LP, in the sense that they stood firmly with the workers and opposed the company. However, LJH demanded a higher settlement. LT said, after visiting LJH in the hospital, "LJH always demands too much and it annoys the company, so they attacked him brutally." But LJH also exposed himself as the leader at the front lines, while LT took on the role of mediator, leaving himself better protected.

Despite the differences in relationships, and in the strategies used by the labor subcontractors, the main point is in the way in which their own interests came into play. Clearly, in the event that a labor subcontractor absconds with project money, he is looking only to his own short-term interests while breaking any relationship with the workers and the company. In the other cases, it appears that forming an alliance with the workers is the only way for the labor subcontractors to protect their own interests. There was no legal basis for their interests. They cannot demand their profit in the form of project money, for the labor subcontractors are illegal subject to accept project according to the law, meanwhile they do not do daily work as the workers do, so strictly speaking they cannot earn wage. But because the work points are recorded by the foreman or the labor subcontractor, they can use the opportunity to demand their interests in the form of wages which is legally protected by the law.

The main form of profit for most labor subcontractors is the difference between what they demand as wages for the workers, and what the workers actually get in the end. The labor subcontracting system, in its present form, ensures that the labor

subcontractor remains an important link in the system, and the rate differential is the incentive that the system generates. Recently, it has been reported that the Chinese government was about to call off the labor subcontractor⁶⁶. But if labor service companies, or construction companies for that matter, are not inclined or equipped to recruit and supply labor directly, how then would the construction industry cope with a government ban on labor subcontracting?

How do labor subcontractors contribute to beneficial conditions for workers? It is misleading to see the alliance between the labor subcontractor and the workers as beneficial only to the labor subcontractor. In reality, the labor subcontractor can contribute to workers' collective actions in three important ways. First, once the labor subcontractor forms an alliance with the workers, the workers lose their confidence in the company. They will not waste time struggling against the labor subcontractor or waiting for the labor subcontractor to settle the problem for them. At the same time, solidarity may be strengthened.

Additionally, the labor subcontractors generally know their way around labor relations better than the workers. They can make it difficult for the company, and even the labor bureau, to get rid of the workers in the name of "no labor contract, no labor relation." Labor subcontractors are able to address their actions directly, both toward the labor service company and the construction company. Finally, conflicts become more intense and more focused when labor subcontractors are involved. Since the labor subcontractors have to bind their interests with the workers in the name of wages, the total amount of money involved goes up and the difficulties are increased.

The extent of collective actions in which labor subcontractors are involved raises the question of how long the labor subcontracting system can be sustained, and whether

⁶⁶ http://news.xinhuanet.com/house/2005-07/06/content_3180638.htm

it could actually be abolished?

Campaigns against wage-arrears, by the media and several levels of government, have been going on for more than ten years — since 2003, when the former premier Wen Jiabao helped one worker get her wage arrears. In 2005, the former Construction Bureau declared that the role of labor subcontractor was to be abolished and the workforce was from then on to be employed directly by a labor service company or other company with certain qualification. It seems that, although the trumpet to abolish the labor subcontracting system sounded, however, the labor subcontracting system still stand in these past 8 years. The main measure the Construction Bureau took was to revise the legal status of the construction subcontracting enterprises. However, from the perspective of the workers, this only served to add another layer to the multiple layers of the existing system rather helping to change the system itself.

There are some who think that the subcontracting system is a typical social network organization, a creativity of enterprises organization, which is used to reduce the transaction fees of the enterprises (Yukuan Guo, 2011). Research from this economic point of view suggests that it is the qualification and capital for registration limits set by the state that lead to the existence of the labor subcontractor because it is hard for the labor subcontractor to transform into labor service company. From his point of view, if the limits loosened, the labor subcontract system will be eliminated, so will the wage arrears.

As discussed in Chapter 2, the history of the labor subcontracting system reveals that the state is largely responsible for bringing back an old system of labor subcontracting. It is important to look beyond state policy to see that the state has created a regime of capitalist accumulation and that the labor subcontracting system can be seen as a creative way of reducing cost. However, the costs do not

actually disappear; rather, they are absorbed by the workers and the labor subcontractors, and their collective action ends up as part of the costs that the company must ultimately pay for.

The idea that labor disputes could be resolved if the role of the labor subcontractor were to be transformed into a formal subcontracting enterprise is misleading. Obviously what scholars like Guo Yukuan ignores is the fact that the labor service company is prevalent in today's construction industry, but the workers still have no written labor contracts with these companies and they still need to struggle collectively to receive their wages. He also turns a blind eye to the fact that some managers of the labor service company are coming from the ranks of the labor subcontractors but, even so, do not do things differently and employ workers directly. The fallacy in this research is primarily in the reduction of class relations to individual behavioral patterns.

In reality, whether or not the labor subcontractor is eliminated depends on whether the workers in the construction industry are to be employed directly by company. The government cannot abolish the system of labor subcontracting by simply establishing construction subcontracting enterprises. The only way to eliminate the labor subcontractor is to transform the labor subcontracting system into a classic capital-labor relationship, which means that the flexible workers must be transformed into more stable workers. Nor can the government eliminate labor disputes because, even if the labor subcontractor is eliminated, conflicts in construction industry will nonetheless erupt in their "pure" form — in the sense that the conflicts will inevitably present themselves between the laborers and the capital, whether it be the labor service company, the construction company, or even the developer.

What then will motivate the process of transformation? Obviously, the labor

subcontractors appear to be the weak link in the labor subcontracting system. They are needed by the labor subcontracting system but they are not protected by the system. Therefore, they tend to form alliances with the workers in their struggles with the company.

Chapter 8 Media and Workers' Power

The world of journalism in itself is a field, but one that is subject to great pressure from the economic field via audience ratings. This very heteronomous field, which is structurally very strongly subordinated to market pressures, in turn applies pressure to all other fields (Bourdieu & Ferguson, 1998, 54).

The relationship between the media and the new working class has drawn much attention, especially when a network society of new working class has been in its formation. Scholars have found that the new media (those based on internet) played an important role in workers' collective action (Wang, 2011). In actuality, new media has the potential for workers to voice their interest. But it is uncertain for the moment whether new media can promote the formation or not. Possibly, it may do the contrary and make the underclass more dependent on it (Qiu, 2013, 261).

Although new media may have a bottom-up potential to challenge the dominance of traditional media controlled by the market and state, the influence of the latter cannot be ignored, especially when construction workers' lives are concerned. Media plays an important role in workers' actions to demand their wage arrears, and often provides the only effective way to prompt the settlement of wage arrears. However, the involvement of the media in workers' actions is controversial.

As one commentator noted, there are different opinions toward the increasingly involvement of media in workers' actions -- some think it is the responsibility of government to resolve these issues so that the media exposure is not needed, others

regards media exposure as a channel for workers' interest.⁶⁷ The writer noted that, in recent years, the problem of demanding unpaid wages is a common social problem. Faced with this situation, media in different areas has become either passively or actively involved; it has even become one of the main public arenas for demanding unpaid wages. Accordingly, some local governments hold positive attitudes toward the exposure for wage arrears in the media, while others do not encourage and even blame it for meddling, and for adding to the general confusion.

The writer goes on to conclude that perhaps the forceful involvement of the media is unavoidable given these special circumstances. All things taken into consideration, he sees it as having a particularly positive impact, one that deserves support from all sectors of society. He thinks bringing widespread attention to the plight of workers in the construction industry is more likely to have a positive effect to help establish a good interest expression mechanism in the whole society.

Media participation in publicizing the wage arrears actions taken by workers can also be seen as contradictory. Some see media participation as instigating or exacerbating confrontation, or making trouble in general, while others including the commentator cited above, see the media as a channel which allows the workers to express their grievances, and thereby release social tension.

A different view of media involvement can be seen in the initiative launched by both the *Guangzhou Daily* and the *Information Times* with respect to media coverage of workers jumping, or threatening to jump — “jumping-off-the-bridge shows” — from the Haizhu Bridge in 2009.⁶⁸

⁶⁷ “Media provides a channel for migrant workers’ actions in demanding unpaid wages,” November 29, 2006, *Yanzhao Metropolis Daily*.

⁶⁸ Translated text, published May 12, 2009.

Recently, “jumping shows” have been appearing frequently on the Haizhu Bridge in Guangzhou. As seen repeatedly in media reports, these shows cause traffic jams and consume police resources. These actions cannot solve problems and there are high costs involved in the rescue operations. Our investigations reveal that these “jumping” events are mostly made by those pretending to jump, and these behaviors cannot get sympathy from the citizens but are more likely to cause bad feelings. As news media, we are responsible for reporting important events which concern our citizens, but we see events like this focusing the attention onto individuals rather than serving the interests of the wider public. Reporting these events has lost its impact. On the contrary, excessive media attention will only encourage these events to recur. This is not helpful — it is misleading.

We believe that citizens who have difficulty should seek solutions which are normal, legal, and not harmful to the public interest. Choosing extreme behavior, such as “jumping-off-the-bridge,” is not only playing with individual lives and the well-being of families, but it also has a serious impact on traffic management, not to mention public resources, which are not equipped to solve the problem. Therefore, we think that the media should not provide the jumpers with a platform to stage their show. This is the only way in which these kinds of events can be reduced and prevented from happening again, which is the responsibility of caring for life. Therefore, we solemnly promise not to report such “shows” anymore; we appeal to the news media to take responsibility along with *Guangzhou Daily* and the *Information Times* to block “jumping shows” in the media.

The initiative was launched after eleven events of “jumping shows” were reported in the course of one month on the Haizhu Bridge in Guangzhou. The role of the media in reporting “jumping shows” was seen as “adding fuel to the fire,” and therefore to

be avoided. However, a week later, when the 12th person climbed up the same bridge, headlines were still made.

Certainly, it is necessary to reflect on the relationship between workers' actions and the reporting of those actions. However, the relationship between the media and migrant workers is not simply a case of whether workers' actions are reported or not, but a case of how the workers' actions are reported. The role of the media in workers' actions is complex and one that needs closer examination. In the following chapter, the implications of media involvement in the reporting of three cases will be introduced and the impact of the media on workers' actions will be discussed.

8.1 Mass Media, Ideology and Workers' Action

Mass media occupies, as Bourdieu observes, a heteronomous field, one which is subordinated to market pressure while at the same time exerting significant pressure onto other fields. Therefore, how the media reports or represent social events in media is of vital importance. And thus the main concern here is the relationship between the media and domination, or the relationship between "class power and media power" (Miller, 2002).

Perhaps Marx is the first to elaborate the relationship between class power and media power, as indicated in his concept of ideology:

The ideas of the ruling class are in every epoch the ruling ideas, i.e. the class which is the ruling material force of society, is at the same time its ruling intellectual force. The class which has the means of material production at its disposal, has control at the same time over the means of mental production, so that thereby, generally speaking, the ideas of those who lack the means of mental production are subject to it (Marx & Engels, 1970, 64).

In Marx's view, the mass media is also a means of production owned by the ruling class. And the main concern of ideology is the way in which meaning serves to establish and sustain relations of domination (J. B. Thompson, 1990).

Although the research on ideology is instructive, it is critiqued by its connection with "false consciousness". Therefore, much of the contemporary study of ideology has moved away from a focus on economic-class relations toward a more dynamic conceptualization of the terrain of culture. And the key theoretical concept that animates much of the contemporary study of the ideology of media is *hegemony* which connects questions of culture, power, and ideology. In short, Gramsci argued that ruling groups can maintain their power through force, consent, or a combination of the two (Croteau, Hoynes, & Milan, 2011). The main implication of hegemony operates at the level of common sense in the assumptions we make about social life and on the terrain of things that we accept as "natural" or "the way things are".

Although some researchers, facing a challenge from pluralist media research, calls on abandoning mechanistic conceptions of both hegemony and a dominant ideology, and explore news texts as sites of struggle between contending discourses and meanings (Carragee, 1993), the perspective of hegemony or ideology is still powerful to understand what kind of workers' actions the media tend to report, and how they report and represent workers actions in media (Hall, 1997).

Chinese media, an important part of the political economy, has changed in the reform era. The years following 1978 have been a fertile period for China's media development. Hong and Cuthbert remind us that changes in China's mass media are not isolated social events but are caused by changes in the country's economy and the political landscape (Hong & Cuthbert, 1991). With marketization reform in the late 1970s, the mass media was exposed to the logic of the market, a "logic" that was

different from the previous years.

The acceleration of the marketization of the Chinese economy as a whole, and of the media industry in particular, has forced the national news agency to adopt more market principles in order to survive intensifying competition in both domestic and international markets (Xin, 2006, 61).

The economic and political reform of 1978 was distinct from other reforms in CCP history, and it contributed to the further erosion of the Party's power and its ideological control of the media (L. L. Chu, 1994). As market forces penetrated every aspect of media management, the orientation of content production changed accordingly.

A number of Chinese scholars have noted that media content production has shifted from a Party-centered orientation to an audience-centered orientation. The basis for designing and evaluating media content has shifted from reflecting party policies to assessing audience needs and audience satisfaction. With this shift comes changing perspectives and the employment of new criteria to better "reflect" reality. Yong points out that these changes constitute a change of "journalistic paradigm" (Yong, 2000). He notes that, with this conceptual change from "masses" to "audience," the function of the media has changed from education, mobilization to serve the information receiver and the strategy of the media shifted from propaganda to hegemony by the Party.

The concept of hegemony does not imply whether the popular consciousness is totally dominated and controlled by the government. It refers only to the Chinese government's new understanding about the role of media, especially its compromise in agenda-setting. The state-society relationship was quietly changing throughout the 1990s and the Chinese government gradually shifted its media policy away from propaganda and towards hegemony before the turn of the century (A.Chan, 2002).

The impact of marketization on Chinese mass media has not been as simple as the reduction of the Party's power and its ideological control over the media, though Chu reminds us that, where all previous reforms were aimed at the efficient utilization of the media for Party goals, the 1978 reform has had the "unintended effect of liberalizing China's media system" (L. L. Chu, 1994), but rather a strategy shift of ideological control from propaganda to hegemony. Nonetheless, current analyses tend to emphasize the persistence of political control despite the apparent liberalization of the media. Pan and Wu echo this, arguing that the political repression of the media, a regime whereby "the Party controls the media," changed little, even after 30 years, despite media reform (Pan & Wu, 2008).

Yu attributes this to the deep-seated authoritarian tradition:

What characterizes the hybrid system in today's China are economic freedom and political suppression. In some respects, China is more capitalist than many full-fledged capitalist societies. In other respects, China's deep-rooted authoritarian tradition has been further strengthened by the Party's tight political control (X. Yu, 1994).

Yu is nonetheless optimistic, arguing that a more pluralistic and democratic political system will establish itself soon or later.

Clearly, Chinese media has changed in both its form and content. But the impact of the mass media is more complicated than merely serving to reduce or strengthen the Party's power. A more important concern perhaps is how the media serves the changed political economy. The analysis referenced above tends to be mainly from the perspective of "state vs. society." This paradigm is a dominant one in the social research on Chinese social transition and, although bringing insights to the examination of the changes brought about by marketization, it does not address the hegemony of media production, nor does it examine the relationship of the media to

the changed political economy.

Yuezhi Zhao, in her analysis of the media control in China, with reference to the state and the market, sets media reform in a political economic framework, noting that the fusion of state and market power has created a media system that serves the interests of the country's political and economic elite (Zhao, 2004, 179). She argues that the reform of Chinese media has incorporated a neoliberal strategy.

The “reform and opening-up” in the field of communication, was in fact a process deepening with the market rationality and capital logic under the condition of strengthening political control. By linking China with the global capitalist production and consumption system, the process constructed a specific pattern of social discourse and communication resources among different social groups, which at the same time formed a basic communication framework for the formation of certain class, ethnicity, social gender and other social subject (quoted from Pan & Wu, 2008).

Zhao reminds us that this communication framework has made the media flock towards the taste preferences of the middle class and the urban citizens who are the main consumers of the media, and by so doing, the voice of the workers and peasant classes has been marginalized (Y. Zhao, 2008). She argues that the market-oriented urban media employs an ideology of liberal civil rights, while to some extent neglecting the social and economic rights of the workers. Ultimately, she notes, the state has the arbitrary power to reject either the discourse of liberal constitutionalism or that of class exploitation:

There are differences both in rhetoric and substance between the struggle for civil rights and the struggle for economic and social justice. On the one hand, liberal intellectuals and the market-oriented urban media prioritize

civil rights and fight for the freedom from an obtrusive state. The economic and social rights of the low social classes, meanwhile, have not been their primary concerns. On the other hand, leftist discourses apply the language of class exploitation to contemporary Chinese society and re-appropriate the symbols of the communist revolution to argue for the economic and social interests of China's low social classes. Arbitrating these two competing discourses is the Chinese state, which rejects liberal constitutionalism on the one hand and suppresses the discourse of class exploitation on the other, while trying to appease the low social classes with paternalistic and "pro-people" redistributive politics and the selective instrumental mobilization of a "rights" discourse (Y. Zhao, 2008, 279).

Scholars see the Chinese media as a site of ideological struggle where the liberal intellectual elite and media elites employ liberal civil citizenship discourse, the leftists (out of the mainstream media, especially market-oriented media) employ class discourse, and the state employ a paternalistic and instrumental selection of "rights" discourse. And the media elites criticize the state since they hold different ideologies.

This literature, on the differences and struggles between the media and the state, ignores their compatibility, especially with respect to the representation of migrant workers in the media. Pun and Chan argue that both the media and the state are complicit in the "subsumption" of class discourse even as a new class of worker-subject is being created in this era of economic reform (Pun & Chan, 2008). H. Zhang points out that this is evident in the renaming of migrant workers in the media which, he argues, is a form of "veiling:"

The naming of migrant workers in Chinese media has been continuously changed, from "migrant workers," "blind floating" (*mang liu*) to "the main

force of the working class.” The new naming of the migrant workers integrates the workers into the social strata composed of salariat, the middle class, and the new rich in place of the old class discourse of worker, peasant and bourgeoisie (Zhang, 2005).

The renaming of workers in the media represents the ideology of liberal social stratification. This ideology diverges significantly from the Marxist class analysis which is still embedded in the guidelines of the CCP, yet at the same time legitimizes the CCP as the vanguard of the working class.

Wanning Sun points out that, while much has been written about the working conditions and the exploitation of workers, we know little about the role of the media in promoting or denying the visibility of the workers and their plight. From time to time, workers’ conditions, the plight of the workers are ignored and the root of these plight cannot enter into the sight of the public either. Sun’s research gave more detail of the attitudes of the media toward the workers’ actions.

Instead of responding to calls and rushing to the scene to cover the incident, the media prefer to take a back seat and leave it to the police and local authorities to deal with the matter at hand. It was felt the absence of the media would constitute a major disincentive for migrant workers contemplating extreme action. Meanwhile, media now tend to seek out examples workers succeeding in getting paid through legal means. And when individual workers take drastic action, the incident tends to be covered in a way that emphasizes the message that migrant workers should exercise reason and respect the law (Sun, 2012).

Apparently, media tend to promote the hegemony of “the rule of law.” The media tendency is to diminish the actions of the workers. Sun found that the media seems

to have gradually adopted a more detached stance, to the extent that workers are depicted as copycats, prone to melodrama and, though deserving of sympathy for the injustice they suffer, not capable of defending their rights appropriately (Sun, 2012). She also found that the word “for show” (zuo xiu) was frequently used to describe workers’ actions to draw the attention of the media.

This discussion uncovers a fundamental paradox. Staging spectacles of ‘extreme actions’ may beget mediation and mediatization and, for this reason, has the potential for rights-seeking on the part of the subaltern speaking subjects. But, at the same time, the circumstances in which mediation and mediatization are taken up as strategies of resistance and struggle change over time, and are subject to the vagaries of politics, which can shape, if not determine, the effectiveness of these tactics (Sun, 2012).

Sun’s discussion, however, is limited to examining the effectiveness of using the media for particular kinds of actions. Further research is needed to fully examine the potential impact of media on workers’ actions as a whole.

To sum up, the above research represented a picture of interaction among media, workers, and the state. These research questioned the claim that the media can be used as main mechanism for interest expression by the migrant workers as some media may be well intentioned. In the following part, the ideology of the media and its impact on workers’ action and its relationship with the state will be further examined.

8.2 How the Media Reports Workers’ Actions to Demand Wage Arrears

In China today, the reporting of migrant workers’ actions to demand their wage

arrears falls into three categories which will be presented in greater detail below. These are characterized in the media as: drawing attention by the so-called “extreme measures,” drawing attention by “creative measures,” and actions based on workers’ power in production field. Three cases will be presented below to exemplify these categories.

Drawing Attention by “Extreme Measures”

In the winter of 2000, the public came to realize for the first time how serious the unpaid wage problem was. In that year, “Migrant workers intercept (*weidu*) the labor subcontractor across the city” made the headlines, letting the public know the situation of construction workers had up until then been a silent minority. In 2001, the headlines “Migrant workers kidnap the family of a labor subcontractor” became an iconic event among all the events relating to migrant workers’ actions to demand unpaid wages that year. In 2002, the headlines “Migrant workers threaten to commit suicide in order to demand wages” drew broader attention. In 2003, Xiong Deming the key word of demanding unpaid wage is the woman, who brought public attention to the plight of unpaid migrant workers by speaking out to the premier. In 2004, when the roof and lift became specific workers’ choice to end their life after the failure of demanding wages, some migrant workers’ action transformed from abusing others to self-abuse, and the extreme means present a new subject of the judicial remedy system.⁶⁹

This report headlined with “demanding wage arrears: what response do migrant workers expect” describes the transformation of workers’ action exposed in media. According to the report, the actions referred to — “abusing others” and “self-abuse” — are called extreme measures. The Chinese media is full of reports of extreme measures, describing the means by which workers express their anger after failing to get their wages and how they sometimes resort to attracting public attention.

⁶⁹ <http://www.southcn.com/job/careercenter/hrheadlines/200412200324.htm>

Where “extreme measures” employed in the early 2000s drew attention and sympathy, these actions, in recent years, tend increasingly to be criticized. On May 21 2009, when Chen Fuchao climbed up the Haizhu Bridge, he did not realize the trend of public opinion. Prior to his action, eleven people had climbed the bridge over the course of two months, all wanting to bring attention to their plights.

According to the *South Metropolitan Daily*,⁷⁰ Chen climbed the bridge at about 7:15 in the morning and hung a red scroll with the writing, “Fuli developer give me my hard-earned money back.” Soon the traffic was blocked as more and more onlookers gathered under the scroll. According to the report, the bridge was blocked for five hours, during which the police and three negotiation experts were called on the scene to persuade Chen to come down; they were unsuccessful. Apparently, Chen had climbed another bridge earlier that year to bring attention to an amount of 4,500,000 in unpaid construction project costs after the project failed. After five hours, an elderly passer-by, Lai Jiansheng, fed up with the situation and the traffic jam, pushed Chen Fuchao off the bridge under the pretense of offering him a handshake. He was photographed raising his hand in a salute as Chen fell to the emergency air cushion that had been erected below. Chen Fuchao survived with serious injuries, and the passer-by was reported as having said “I pushed him off because jumpers like Chen are very selfish. Their actions violate a lot of public interest.”

Apparently, before Lai climbed the bridge, he had quarreled with some other onlookers who were showing their sympathy and insisting that there was probably a good reason for the young man’s actions, that he may have had no other outlet to plead his case. Lai had become animated and was heard to say bitterly that Chen was destined to die and that it would be better to shoot him down. Lai’s reaction was no exception. Some onlookers were complaining about being late to work; others said,

⁷⁰ http://nd.oeeee.com/comments/focus/200905/t20090521_1063552.shtml

“If he wants to die, just let him jump,” “The Yinhe public grave welcomes you,” and “I will applaud if you jump.” The incident exemplifies the recent drop in public sympathy, and the media may well play a role in managing the reporting of these events

Certainly, some people did show their sympathy towards Chen. Despite a short period of time when some onlookers were applauding Lai, more and more people turned to blame Lai for his actions. Seeing that Chen was being pushed, possibly to his death, a woman cried out, “He was committing crime, the young man’s arm was damaged.” Other onlookers threatened Lai, “If you dare come down, I will beat you to death.” Someone even threw their shoes at Lai, and another onlooker expressed his suspicion that Lai had been employed by the developer to murder Chen.

The newspaper report took a somewhat sympathetic rhetoric to Lai’s actions.

The report did not out-and-out blame Chen for his actions, the report seemed to conclude that Lai’s actions resolved a situation where negotiation experts had been unable to make any progress after four hours.⁷¹

This incident caused wide media attention and a great deal of controversy, much of it reported in the following days. On May 25th, the *Southern Metropolis Daily* reported that Chen was in hospital and was being accused of criminal responsibility.⁷² The news article also proposed, by way of its headlines, “Banning climbing? Heavy criminal punishment? Or Smooth channels for interest expression?” The article reported four proposals given by a representative of the People’s Congress of Guangzhou. First, they advised that the media should not let people use the media to resolve problems. They also proposed building a fence to prevent climbing the

⁷¹ http://epaper.oeeee.com/G/html/2009-05/22/content_799822.htm

⁷² http://epaper.oeeee.com/G/html/2009-05/25/content_801427.htm

bridge as well as laying criminal charges against protest climbers. And finally, article emphasized the importance of creating (or streamlining existing) channels for addressing and taking action on wage arrears cases.

Nearly all of the media attention was given to the issue of how to prevent the workers from climbing the bridge, rather than focusing on the inherent structure of the subcontracting system which systematically generates labor disputes with great frequency. The party actually responsible for Chen's protest, Fuli, a subsidiary company of Poly Real Estate Group Co., the top developer in China, may not even have been mentioned in these accounts, had it not appeared in the scroll unfurled on the bridge by Chen. Of the four proposals, only the last one was concerned with the interests of workers, and it only give lip service to the idea that better channels be established — a commonplace pronouncement in the Chinese media.

The incident was covered more fully on television two days later. On May 27th, CCTV ran a program entitled, "Who buys climbing bridges?" A law professor, Wang, from the Peking University, was invited as a commentator.⁷³ He observed that it was a tragedy that due to the absence of right protection mechanism, rights had to be fought for in this way that climbing bridges had come to be the means by which more and more people attempt to protect their right to receive the wages they have already earned.

The program also repeated the comments of the elderly man who pushed Chen off the bridge, who had been heard saying, "Brave actions for the public interest." The fire rescue workers were blamed for not having fully inflated the emergency air cushion, and thereby causing Chen's injuries. The program also reviewed the importance of a good legal system and developing channels whereby grievances

⁷³ <http://news.cntv.cn/program/xinwen1jia1/20100401/106428.shtml>

could be properly addressed. At the end, a journalist from the *Information Times* (which launched the *Guangzhou Daily* and *Information Times* initiative in 2009, described above), estimated that the economic cost of such events was on the order of a million⁷⁴. The law professor, argued that though the behavior of Chen is extreme he was not the main trouble maker, and the fundamental way to settle such issue was to improve the efficiency of the mechanism of right protection.

On May 30, CCTV aired another program addressing this case.⁷⁵ This time, another journalist from the *Information Times* explained:

Climbing the bridge is now so frequent that the media doesn't go to the scene as quickly as it used to. We didn't arrive there until just after 10 a.m. By then, people were really frustrated with the man because he had stayed there too long and so many negotiation experts had been sent to talk with him.

At the beginning, the “jumping-off-the-bridge” incidents (*Tiao Lou Xiu*) would draw sympathy from the public, including the reporters at the scene, because we saw the workers as having no alternative. But, as more and more people chose to use this method — and some would even climb on numerous occasions — as more and more people were affected, the sensibility of the public began to change, especially those who worked nearby. These people may have been late for work as many as ten times a month, and so they began to complain why these people always climb up the bridge?

The program also reminded the audience that both public and media sympathy had almost expired:

⁷⁴ <http://news.cntv.cn/program/xinwen1jia1/20100401/106428.shtml>

⁷⁵ <http://news.sina.com.cn/c/2009-05-30/213017916143.shtml>

Chen, who wanted to draw attention from society, may not have known that the *Guangzhou Daily* and the *Information Times* had recently advocated that the media should not be giving so much attention to these “climbing shows.” What Chen could not have predicted was that when he climbed the bridge, people under the bridge would begin to curse and to blame him, and that Lai would show up.

The program ended with the question, “Even though we build more and more beautiful bridges, how on earth do we build communication bridges between people, institutions, and society?” The program, it seems, attempted to justify the position of the media’s lack of support for this form of workers’ actions. It also emphasized that these actions created additional conflict between those workers taking extreme action and the citizens that involve in the process. What needs to be emphasized is that in the program also referred to Chen as a contractor rather than a subcontractor, reducing what was actually a labor dispute to one that was merely economic. In the days following, the *Southern Metropolis Daily* published two reports, both focusing on the question of criminal responsibility, and how Chen and Lai would be implicated.

Generally, events like these do not draw such wide attention. Chen received this kind of attention because he was pushed off the bridge by an angry by-stander, thereby catching the attention of the media, but he was unfortunate because his case drew little sympathy from either the public or the media. Nearly every report covering this incident focused on the legal responsibilities of both parties, expressed criticism toward Chen, and pointed out the social and economic cost. At best, the reports advocated to make legal channels more accessible so that workers could pursue their grievances more effectively. The reports did not, at any time, address why Chen was unable to get his project money in the first place.

The call to end the so-called “jumping shows” continues to cause controversy. As early as 2003, the *People’s Daily* initiated a special-interest column entitled “Viewpoints Collide: Should ‘jumping show’ workers be penalized?”⁷⁶ On June 27, 2008, the *Oriental Morning Post*⁷⁷ critiqued the Guangzhou government’s measures proposing to take into custody those individuals who attempted to resolve their wage arrears by threatening to jump off a bridge and take those who threaten to end their lives to a labor camp. The article challenged the measure asking, “Can labor education be effective for ending ‘jumping shows’?” It advocated that the government needed, instead, to provide effective mechanisms that would enable marginalized and underprivileged citizens to resolve the serious issue of wage arrears in a timely way.

On November 24, 2011, the *Guangming Net* came to the conclusion that “in order to end the ‘jumping shows,’ it is critical to remove the root cause.” The commentator identified the “root cause” as psychological, pinning the blame on the lack of mental stability of those taking extreme action. The explanation went along these lines: “Motives determine the behavior. Every incident of abnormal behavior has a specific psychological motive, and this motive is at the root of the problem we are currently concerned with. ‘Jumping shows’ do not come about without reason, without psychological roots. It is crucial to address the psychological root cause to prevent ‘jumping shows’ from appearing over and over again.” The thinking here was to combat the widespread and mistaken idea that there was a benefit to be had from engaging in a “jumping show,” and that “issues will be solved only if big troubles are made.” It also suggest heal the morbid psychology of making light of their lives and being weary of society (*qingsheng yanshi de bingtai xinli*). It also advocate to pay attention to the psychologically marginalized group such as the migrant

⁷⁶ <http://www.people.com.cn/GB/guandian/27/20030115/907962.html>

⁷⁷ http://epaper.dfdaily.com/dfzb/html/2008-06/26/content_65808.htm

workers.⁷⁸

If a psychological motive is indeed at the root of these actions, then the media is likely to be successful in preventing the workers from “benefitting” from these extreme actions by simply not providing coverage. The psychological explanation for the motive behind these protests has become so popular that some professionals have gone so far as to explain these protests in terms of individual motives or mental health issues. In 2009, a professor from Peking University and a member of the Judicial Expertise Center, argued that 99% of those going to Bureau of Letters and Visits were suffering from a mental disorder.⁷⁹ A year later, in 2010, when 18 workers from Foxconn committed suicide, with 14 deaths resulting, two experts from Peking and Tsinghua University attributed it to their psychological “vulnerability.”⁸⁰

Workers’ actions have frequently been explained as the outcome of individual behaviors that are psychologically motivated, therefore preventable. The media appears in a position to persuade the workers to expect governments to take action (enforce the law) and establish channels for interest expression.

Increasingly, as public criticism of the “jumping shows” increased, workers have begun to turn to more moderate and less “extreme” forms of action to bring their cause to the attention of the media.

Creative Forms to Demand Unpaid Wages

In recent years, the protests staged by workers to bring attention to their working conditions and delayed wage payments have seen a transition from extreme

⁷⁸ http://guancha.gmw.cn/2011-11/24/content_3035983.htm

⁷⁹ <http://news.163.com/09/0404/05/561IOQ950001124J.html>

⁸⁰ <http://www.infzm.com/content/44883>

measures to other more creative outlets. The *Southern Weekly* described the transition this way:

The rise and fall of Zhang Hejin, the “director of demanding wages,” reflected the changing forms of action that migrant workers’ are taking to publicize their demands for unpaid wages. The previous means, which used the human body as a tool to protest wage arrears, have gradually been discarded. From the second half of 2012, a new generation of migrant workers has started to use various techniques to protect their legal rights, such as “mimicking the speaking style of the foreign minister,” “Gangnam Style,” and “Yuanfang” which have more of a visual impact, more integrated with trends on the internet and of the young people’s value.⁸¹

Perhaps due to their eye-catching value, Chinese news reports increasingly feature these “creative forms” of protest, with headlines such as “The history of the art of demanding wages,”⁸² and “Demanding wages Chinese style.”⁸³ Among these, perhaps the most influential may be the video showing an underpaid worker mimicking an official from China’s Ministry of Foreign Affairs⁸⁴ which went viral in 2012 and won a nomination in the 2012 Chinese network media audio-visual festival.⁸⁵

The *Southern Metropolis Daily*, a newspaper published in Guangzhou and known for its investigative reporting, featured a special topic on its website asking, “Who is slapped by alternative ways of demanding wages?” there were four parts in this topic

⁸¹ <http://www.infzm.com/content/87901> Zhang Hejin was called by the media “director of demanding wage arrears” and “director of jumping off building shows” since 2010 when he helped workers to plan their actions to demand wage arrears. For more details see: http://news.xinhuanet.com/politics/2013-01/27/c_114515108.htm

⁸² <http://politics.inewsweek.cn/20121015/detail-43999.html>

⁸³ <http://pic.business.sohu.com/group-414147.shtml#0>;
<http://news.qq.com/photom/tpyk/taoxinstyle.htm>

⁸⁴ The link to the video — http://v.youku.com/v_show/id_XNDU5NDg1Mjk2.html

⁸⁵ <http://ndnews.oeeee.com/html/201212/05/6905.html>

including an introduction (*qianyan*), a question (*zhiyi*), detailed inquiry (*zhuiwen*), and explore the reason (*tanyin*). According to the special topic, the video was originally posted to the internet by way of a blog (“Migrant worker Cuihui”) in May of 2012 but did not attract media attention until it was reposted in October 2010 by another blogger, Wei Zhuang, a freelance writer.⁸⁶

The satirical video⁸⁷ — presented in the form of a fake press conference organized by the Chinese Ministry of Foreign Affairs — features a female migrant worker with the pseudonym “Miao Cuihua,” the name of a female TV character, a legendary 18th century martial arts master. She is filmed solemnly answering, in a “diplomatic” voice, a number of (rehearsed) questions posed by a reporter from the imaginary “Wage-Seeking News Agency.” She looks directly at the camera and points out that the Tianjin Hangu Management Institute (THMI) did not pay out their 14 million project money, including 3.50 million wages. In the “press conference” Miao Cuihua expressed her anger to the management institute that “we strongly demand.” The video was originally uploaded to Sina microblog, but did not go viral until netizen @Wei Zhuang posted it on October 8, 2012, once more bringing the issue of unpaid wages to the attention of the public.

A *Beijing News* report on October 10th indicated that the worker, who called herself “Miao Cuihua,” worked for the “Jiye Yonggu” Company (JYYG) which was managing a construction project for the Funeral and Interment Management Office in Hangu (a district in the northeastern city of Tianjin). This was a joint-development project that involved the management institute, THMI, and an investment company, “Deshengyihe” (DSYH). In the course of the project, the investment company, DSYH, ended up owing the construction company, JYYG, ¥14.62 million. The Tianjin Second Intermediate People’s Court judge heard the case and ordered the

⁸⁶ <http://nd.oeeee.com/sszt/view2/nmgtx/default.shtml>

⁸⁷ <http://www.chinanews.com/sh/2012/10-21/4263607.shtml>

investor, DSYH, to pay the ¥11.91 million project money; the judge also required that THMI take joint responsibility with DSYH. But the construction company, JYYG, still did not get the project money despite the court decision. Once the video went public, the local office of Ministry of Civil Affairs a higher authority than that of THMI, refuted the allegations presented in the video. The ministry official claimed that the project money (¥6.8 million including ¥2.8 million workers' wages) had been paid in 2009, and both parties had signed off on it.⁸⁸

On October 12, 2012, four days after the video went viral, Chinese Radio Network published a follow-up report. According to their investigations, the project was developed by the management institute, THMI, and the investment company, DSYH, but DSYH exited the partnership at some point. The official documents showed that the management institute had paid the contractor ¥2,704,700 in advance to cover the wages for the migrant workers, but then THMI had a dispute with the contractor, JYYG, over the cost of the project. The construction project manager, Hei, admitted that JYYG claimed ¥14 million to cover the cost of the project, but that THMI only agreed to pay ¥7 million, resulting in an ongoing lawsuit. Hei admitted that he had received the ¥7 million, but that it was not enough to pay the debt owing on the loan the company had taken out to cover the project costs in the interim, not to mention paying the workers. Hei also added that the workers also agreed to urge THMI and the local office of the Ministry of Civil Affairs to pay JYYG by this means expecting to get paid as soon as possible. However, the reporter was unable to get confirmation of this from any of the workers.⁸⁹

In the end, despite “Miao Cuihua,” and the ongoing demands of her fellow workers, the management company ignored the court order, and Ministry of Civil Affairs denied the allegations put forward in the video. The report put into question the

⁸⁸ http://epaper.bjnews.com.cn/html/2012-10/10/content_378406.htm?div=0

⁸⁹ http://china.cnr.cn/yaowen/201210/t20121012_511104007.shtml

integrity of both the ministry administration and the management institute, and wondered why the power of the court was so limited. The report concluded by demanding that the ministry administration reveal the truth to the public.⁹⁰

It is interesting to note that the report reduces the labor dispute to an issue of limited court jurisdiction and faulty ministry administration, diffusing the issue of actual responsibility. It appears that the responsibility of the investment company, “DSYH,” was ignored, intentionally or unintentionally, and the conflict was characterized as taking place between the workers, the ministry administration, and the court. Clearly, they shared responsibility, but little attention was given to the system which generated this dispute in the first place — a situation common to the construction industry. Here, when disputes over project costs occur between contractors and developers, the costs are too often shifted to the workers. This report did not take into account the overall system of production, seeing the issue merely as the failure of legal enforcement.

After the Tianjin office of the Ministry of Civil Affairs denied the content of the video, another fake “press conference” planned to hold in Beijing. On October 20, 2012, the *Southern Metropolis Daily* published the story behind the recording, explaining the persona of “Miao Cuihua” and describing how the video was produced.⁹¹ According to the report, the expense of the press conference was paid for by the “JYYG” company, although this was not confirmed.⁹²

Soon the *Workers Daily*, *The Beijing News*, and the *Southern Metropolis Daily* all provided commentaries. The *Southern Metropolis Daily* published its commentary under the headlines, “When demanding wages becomes an entertainment program:”

From a sociological point of view, the workers involved in the action to

⁹⁰ <http://www.bjnews.com.cn/opinion/2012/10/11/226975.html>

⁹¹ http://money.163.com/12/1020/11/8E8NKPUE00252G50_all.html

⁹² http://china.cnr.cn/yaowen/201210/t20121012_511104007.shtml

demand their wages have become a model for constructing social harmony, isn't that so? The workers abide by the law and follow the rules, they do not go to the Bureau of Letters and Visits, do not climb bridges, do not make trouble, and they transform a radical confrontation into a rational, peaceful, much-praised tale of protecting their rights. Those going to the Bureau of Letters and Visits can learn from this, but it is also worth examining the usefulness of the Department of Letters and Visits: if all the migrant workers are so able to protect their rights on their own, is it possible for the department to downsize?⁹³

The writer praised these efforts (making the video) and contrasted them with “extreme action” and, with irony, urged the government to downsize its administration seeing that workers were finding their own solutions, without government assistance. How talented they are to transform a labor event into bullet to the government! *The Workers Daily* focused attention on the macro-background of actions like this, including the imbalances in labor relationships, the poor enforcement ability of the court system, not to mention a complicated legal system; it also raised questions as to why workers did not have normal channels for pursuing their disputes open to them.⁹⁴ *The Beijing News* similarly questioned why the ministry officials and the management institute, THMI, had not been forced to adhere to the court order? The report also challenged the ministry administration to tell the whole story given that they had publicly refuted the facts presented in the video.⁹⁵

The video, along with all the media attention, all served to pressure the local administration of the Ministry of Civil Affairs to respond publicly.

⁹³ Roughly translated from:

<http://gcontent.oeeee.com/a/0b/a0b9c3c070ec1117/Blog/49e/6a055a.html>

⁹⁴ http://views.ce.cn/view/ent/201210/11/t20121011_23742968.shtml

⁹⁵ http://epaper.bjnews.com.cn/html/2012-10/11/content_378767.htm?div=-1

On October 19th, another media press was reported to release. *The Beijing News* and the *Southern Metropolis Daily* reported the second media press. According to the report, the expense of the media press was provided by JYYG.⁹⁶ It detailed the worker “Miao Cuihua,” including her family background, her working experience on the construction site, and the process of recording the video. It was reported that the construction company, JYYG, owed the workers about ¥80,000 in total. *The Beijing News* also interviewed the worker as well as the manager of JYYG, Hei.⁹⁷ On October 22, *The Beijing News* interviewed Qi, the “director of the press conference”, who said, “It’s sad that going to the Bureau of Letters and Visits is not as effective as putting a video on the internet” (*shangfang buru shangwang ting beiai*),⁹⁸ meaning that the poor enforcement of law left people with little choice, but that he offered his help for the project, believing that “it is not necessary to use extreme measures to solve a problem.” On October 29th another report described the event again, without introducing any new information. At the end of the year, the *Xinhua News Agency*, revisited the issue on its website, *Xinhua net*, but it did not contact the worker — the subject of the video, “Miao Cuihua.”⁹⁹ For all intents and purposes, the coverage of the event began and ended in October of that year.

There are a number of aspects that need to be mentioned here. First, it is clear that the migrant workers were involved because of a dispute between a construction company and a developer. To a large extent, the worker “Miao Cuihua” was used to help the company to demand its controversial project money but in the name of “unpaid wages of the migrant workers” which was probably the only stunt to attract the media’ attention. Secondly, the worker “Miao” was described to be willing to demand her wages arrears of ¥80,000 along with those of the construction company,

⁹⁶ http://money.163.com/12/1020/11/8E8NKPU00252G50_all.html

⁹⁷ <http://news.qq.com/a/20121021/000047.htm>

⁹⁸ <http://legal.people.com.cn/n/2012/1022/c42510-19338262.html>

⁹⁹ http://news.xinhuanet.com/politics/2013-01/27/c_114514970.htm

JYYG, which was demanding ¥11.91 million. How is this possible? The reports seem to have missed the fact that “Miao Cuihua” was actually asking for the aggregate back pay of ¥3.5 million for herself and her “migrant worker brothers” from all the parties involved in the development and management of the construction project. Instead, the media focused on the plight of the construction company, JYYG, whose manager, Hei, misrepresented the relationship between the workers and the hapless construction company as “two grasshoppers tied to one cord.”

Thirdly, nearly all the media reports point to the government agencies which are criticized primarily for their lack legal clout when it came to enforcing the court order. One commentator even used the case, if somewhat ironically, to urge the Department of Letters and Visits to downsize its administration, given that workers had to resort to their own tactics to resolve labor disputes. In the field of Chinese media, this may also indicate the political appeal of “small government” in a liberal political idea. The media ignored the simple fact that, according to labor law, the construction company, JYYG, had the primary responsibility with respect to the workers’ unpaid wages, notwithstanding its dispute with the developer over the project money which, in this case, happened to be a local government agency.

Finally, the issues involved in this case go deeper than a failure to exert the full force of the law. They ultimately reside in the contradictions inherent to the system of production in the construction industry (outlined in Chapter 2), and are part of the economic crisis in China today. The media seemed unable to reflect upon the issues underlying the video initiative. On the contrary, they focused their criticism on the government, then diverted attention to the details of the production of the video and finally described how Miao Cuihua felt nervous and embarrassed during the “press release” just like treating an entertainer with star status.

What then caused workers to make a transition from public actions involving

extreme measures to those involving more creative approaches? This transition came about because the government was intent on initiating punitive measures, the media was no longer sympathetic, and the public appeared to be increasingly hostile to these actions. The media clearly prefers to report interesting, entertaining and visually captivating as indicated in the press conference and in Zhang Hejin's story. When certain forms of representation are not welcomed by media, other forms need to be invented, and they now often involve internet-savvy designers and journalists who also function as directors.

How to Interpret Workers' Power?

Not all workers want to leverage the power of media to influence public opinion. In fact, most workers prefer to construct power by taking the kinds of actions described in the previous chapters. However, most of these actions are out of the public eye because they are not taken up by the media — they are simply not “newsworthy” enough. The exception to this lack of reporting is usually in the event of an accident that happens in the course of a workplace actions, and some of the cases are chosen to report to educate or discipline the workers.

For example, the *Guangzhou Daily* reported on July 3, 2013, that six workers were sentenced to eight (or nine) months in prison because they were found guilty of destroying the production and operation of a construction company by demanding their unpaid wages. The paper reported that action began as a legal action to demand wages, but they were found guilty of initiating a “radical” action that cost the company ¥56,400.

The six workers accused in this incident (Qin, Li, Yang, Huang, and He) had been contracted to do the plastering of the external walls on a construction site in the Xinhui district. They had been unable to reach an agreement on the price, and labor disputes eventuated. They demanded wages three times but met with no success. They were also dissatisfied with the accommodation provided by the contractor

because it was so noisy that they could not sleep at night. So they switched the power off on October 30th and November 1th, 2012, and then hid the switch box preventing the normal operations of the project.

Following this incident, the local labor bureau entered into mediations with the construction committee, but the workers had no success in getting their wages. On November 9th, Qin and his fellow workers switched the power off again, this time destroying the switch. The economic cost of their interference with the operation of the project was calculated at ¥56400.

The report concluded by noting that the court decision emphasized that workers can seek legal recourse to settle their dispute and warned that, if labor disputes could not be solved privately and by legal mediation mechanisms, they should not resort to radical means which the court considered to be harmful to others as well as to the offenders themselves.¹⁰⁰

Compared with the way in which workers' actions were reported, described in the previous section, this coverage was short and simple. It nonetheless attracted much media attention. *People's Net*, *Chinanews Net*, *China Daily*, and *Sohu Net* reproduced this report in the volume of rule of law (fazhi lanmu) and was used to manifest the spirit of "rule of law" in order to educate the workers to abide the law, no matter the extremities of their wage disputes.

The report did not give any voice to the workers, nor did it refer to the workplace conditions; it voiced only the opinions of the reporter and the court, and it held the workers solely responsible. The construction company, which in reality was responsible for the labor dispute, not only was not held accountable but it was effectively protected by the legal system.

¹⁰⁰ http://www.chinadaily.com.cn/hqgj/jryw/2013-07-03/content_9489681.html

These kind of reports are not isolated occurrences. They accuse workers of using irrational and radical means to demand wages, which are “naturally” not allowed and should be sentenced. In 2011, more than 20 workers in Beijing were also sentenced to time in prison because they switched the power off after meeting with failure in their negotiations to receive their wages by “normal” means.¹⁰¹ On November 11, 2011, *The Beijing News* reported that 19 workers from a construction site in Beijing were on trial because they switched off the power and locked the switch box away for 14 days after being unsuccessful in their demands for wages which had not been paid for two or three months. The entire report was shorter than the one cited above, with less than 200 characters. Again, no workers were interviewed, working conditions went unreported, and it again advised the workers to use the “appropriate” process for demanding wages which was a twice-told story given by the media.

Unlike the case cited just prior to the above case, this report did not attract attention and was not considered to be controversial. The way these workers were dealt was, by this time, already naturalized. Once their actions had been framed as “radical,” by causing financial loss, they were no longer eligible for help, either by way of public opinion and were sidelined by the legal system.

In this case, the workers were under double assault in sense that they were not only subordinated by the labor relationship, but they were also deprived of any means by which to construct power. In the construction industry, switching off the power is one of the main ways to influence, or interfere with, the production process and, thereby, one of the main ways to construct workers’ structural power at the point of production. However, in these situations, the Chinese legal system effectively protects the system of production in its readiness to enforce the law. And the media is content to publicize a case that demonstrates the “rule of law.” In this way, the

¹⁰¹ http://e.bjcpn.com/epaper/2011/9/13/News216_1.html

media and government agree that workers are to be punished according to the “rule of law” and thereby both combine to ensure that the order of production is protected.

8.3 How the Media both Helps and Constricts the Workers

Obviously, the media is powerful force for assisting the workers in their actions to demand unpaid wages. It does this in two important ways.

First, media coverage helps to involve the relevant government departments. In most of the cases, the workers try to negotiate with the company on the construction site first, and then seek government intervention if they are unsuccessful. But if the government is unable to resolve the wage issue at hand, or is unwilling to intervene, workers are inevitably obliged to try other means to resolve their wage disputes, including seeking help from the media. As Zhang Hejin, the “director of jumping off building show” said, if the media was attracted to report workers’ actions over unpaid wages, the success rate of getting paid can reach to 95%. But if the media does not report these incidents, workers’ actions seeking help from media will definitely fail. Actually, Zhang Hejin failed four times because the media did not come to the site of his protest.¹⁰²

Secondly, the media helps to supervise the actions undertaken by the relevant government departments (or the lack of action) — an activity that is seen as one of the main functions of mass media.¹⁰³ By publicizing the progress (or lack of it) of workers’ actions, the relevant department comes under scrutiny and is subject to

¹⁰² http://epaper.bjnews.com.cn/html/2009-06/10/content_368463.htm

¹⁰³ <http://cmp.hku.hk/2007/07/05/426/> As stated in former premier Zhu Rongji’s 16 character concerning media “Supervisor of public opinion, mouthpiece of the masses, mirror of government, pioneer of reform”.

public opinion and the cases reported, once in the eye of the public are, as the saying goes, dealt with as “special things that are to be handled with special care” (*teshi teban*).¹⁰⁴ In the same way, the media is also able to report on whether (and how) the law is enforced, as well as advance political opinions.

One media summarized the normal procedure how the media helps workers in solving wage arrears: “plan to demand wages—media reporting—draw attention—pressure from public opinion—government intervention—resolve successfully.”¹⁰⁵

In spite of the way this may seem to present a self-evident and potentially smooth process — resorting to the ability of the media to publicize unsuccessful wage negotiations and thereby prompting government intervention — the media influence on the workers’ actions is more complicated. First and foremost, the media chooses what to report, when to report, and how to report. For example, workers and their actions are just as easily subject to critical reporting as they are to sympathetic reporting. The most frequently criticized actions are the so-called “extreme measures” such as threatening suicide by climbing buildings or bridges, or by blocking roads and stopping traffic. Those workers who resort to employing these means are described in the press as being of low quality, showing a low awareness of legal repercussions, as well as being irrational and over-excited.

The media also chooses not to report certain kinds of actions, such as those of Zhang Hejin, who has observed that it is harder to draw the attention of media by climbing buildings in recent years. Some reports attribute the increase in “creative means” to a younger generation of workers,¹⁰⁶ forgetting perhaps that it was the media and

¹⁰⁴ http://news.cyol.com/content/2013-01/29/content_7810227.htm

¹⁰⁵ <http://www.legalweekly.cn/index.php/Index/article/id/1982>

¹⁰⁶ <http://www.infzm.com/content/87901>

government that prompted the transition of workers' actions from "extreme forms" to "creative forms."

It remains controversial for the media to report workers' actions, given that government regards this as troublesome. There are also those who believe that reporting these incidents is a form of poor guidance. In some cases, the media reports workers' actions but does not make room for the viewpoints of the workers themselves, as was clear in Chen Fuchao's case. And, in other cases, the media even assists in designing the "creative means" to cater to a wider audience, for example in order to drawing attention to wage disputes by dancing Gangnam Style, it is the journalist who play the role of director.¹⁰⁷

An added complexity to media coverage of workers' actions is the way that reporting, by ignoring some facts and highlighting others, serves to "normalize" or "naturalize" the labor subcontracting system and the ever-present reality of delaying the payment of workers, of not paying them in a timely fashion for labor completed and thereby leaving them in dire circumstances. The media is complicit and often outspoken in focusing blame on workers for not using legal means. And, even as the relevant government departments are criticized for the inadequate enforcement of law and the lack of mechanisms for managing labor disputes, the media tends to ignore, to a large extent, those actually responsible for the labor disputes. The root of the situation, namely the labor subcontracting system, is rarely addressed.

The reporting and judgment of workers' action tends to subordinate to a simple economic logic. In the case of Haizhu Bridge, the so-called social cost was brought forward as a way of condemning the workers' action. In cases where workers' switch the power off, the courts and the police bring an economic logic to bear on the judgment of these actions — and the media appears to accept the logic of this.

¹⁰⁷ <http://www.legalweekly.cn/index.php/Index/article/id/1982>

Yuezhi Zhao points out that the main flaw of the Chinese media is perhaps its lack of perspective, and its inability to criticize capital accumulation; that this lack comes at the cost of human dignity and human rights, which is ironic, given that China's market-oriented media speaks the language of liberal civil rights (Y. Zhao, 2008). In this way, it serves to naturalize not only the labor subcontracting system, but also the entire capitalist mode of production.

Additionally, the media is given to voicing the propaganda-like idea of upholding the spirit of the "rule of law." In nearly each case, the reports end by quoting legal advice given by professors, lawyers, or by the journalists themselves. Furthermore, the media is also keen on propaganda the hope of "rule of law" – that hope is to be had in the "perfection" and enforcement of the law, and in this way the "evils" of the labor subcontracting system can be resolved. A recent report, headlined as "the labor subcontracting system comes into flowers of evil", outlined the hope in the legal process:

In the present situation, where everyone is shouting about wage arrears, I hope the government at all levels works to effectively solve the problem of demanding unpaid wages as people's livelihood project. Who is responsible for enforcing the law? How to blame for not enforcement? ...After all, what the migrant workers are demanding is their hard-earned money, which must be paid on time regardless of the excuses given by the construction companies. The government should offer the workers help when it is necessary. Fortunately, we are seeing the perfecting of the law. A new judicial interpretation of the application of the criminal law on refusals to pay, was issued by the Supreme Court on January 22, whereby those who refuse to pay will probably to be charged with a crime.¹⁰⁸

¹⁰⁸ [Translated from: http://www.chinatimes.cc/pages/126669/moreInfo.htm](http://www.chinatimes.cc/pages/126669/moreInfo.htm)

D.Zhao argued the ideological difference between the Chinese state and Chinese media (D.Zhao,2006) . However, I will argue here that the Chinese state and the media are consistent in supporting capital accumulation and to construct the “rule of law” hegemony” (Y. Li, Sun, & Shen, 2006).

In the final analysis, the media is ultimately subordinate to market pressure. Zhao observes that China’s once state-subsidized and Party-controlled propaganda organs are rapidly transforming themselves into advertisement-based and market-driven capitalistic media enterprises under Party ownership (Y. Zhao, 2004). As the market becomes the driving force behind media enterprises (Esarey, 2005), catering to the audience will become the determining factor behind choosing to report or not. As one reporter notes, “bringing attention to unpaid wages while also catering to the picky tastes of the present readership can only happen through innovative communication strategies.”¹⁰⁹

In summary, the relationship between the power of the media and the power of workers requires further discussion. The media helps strengthen workers’ power in some instances, by putting the workers in a sympathetic light, and weakens the workers’ power in other instances; by criticizing their actions and ignoring some facts, the media naturalizes the root causes of the situation in which workers too often find themselves and instead directs the workers to seek recourse in the legal system (L. Wang, 2011). Furthermore, the media not only naturalizes the market logic, it actually constructs (and reinforces) the hegemony of the “rule of law.” The media, despite sympathizing with workers’ actions to resolve wage arrears, nonetheless criticizes these actions for not having sought recourse through legal mechanisms. By using the language of “radical,” “abnormal,” and “irrational,” workers actions are marginalized and made to seem psychologically impoverished and directed to the legal system which the media always advocates as representing

¹⁰⁹ <http://www.legalweekly.cn/index.php/Index/article/id/1982>

modernity. Even when workers come up with “creative means” to represent their issues, the media admonishes them to use the legal system to redress the wrongs of the various enterprises involved in withholding their wages. This makes it difficult for the workers to acquire any symbolic power by staging a protests, be it extreme or creative (Chun, 2009). Very few reports mention the unequal labor relationship, or the ills of the labor subcontracting system. And, even so, these reports do not explore alternative means by which this relationship can be redressed and workers can construct their power, such as organized trade unions.

It will likely be increasingly difficult for the workers to leverage the power of media, as Zhang Hejin realized. For the most part, although the media is helping to construct the hegemony of the “rule of law,” it is not necessarily successful in imposing it on the workers, or even convincing them of the utility of the “rule of law.” Zhang Hejin expressed his anger at being called the director of “jumping off building shows” this way:

What do they mean by “jumping off building shows”? Do we have nothing to do to jump off a building? Not getting paid after a year of hard work, and we can’t find any help. What are we supposed to do? We are only demanding what is already ours, risking our lives in the process. Being accused of “jumping for show” makes us feel even more wronged.”¹¹⁰

Responding to a media critique (written by Wang Shichuan) of workers appearing naked in public as a way of bringing attention to their unpaid wages, a worker wrote:

Personally, I think that Wang Shichuan calling for “raising the legal consciousness of migrant workers,” and “using the law as the weapon” is totally hypocritical and officious. How do we raise our consciousness? How do we learn? Whenever there is an event involving workers demanding their wages, you hear the words, “First, migrant workers should raise their legal

¹¹⁰ http://epaper.bjnews.com.cn/html/2009-06/10/content_368463.htm

consciousness.” Are the migrant workers just a group of peasants with no legal consciousness and no culture in your eyes?¹¹¹

Although the worker does not propose a plan whereby workers could construct more power, he clearly shows a strong critical consciousness and rightly questions the hypocritical and officious tone which seems to dominate the Chinese media these days.

¹¹¹ <http://www.my1510.cn/article.php?id=084c5644d59ab0ca>

Chapter 9 Informal Labor's Struggle as A Way to Produce New Subject to Change

The following poem was written by a construction worker in 2011:

Economic development has become opium,
Blinded by money,
Class has been forgotten,
Struggle has become a joke,
Money, money is everything.

The exploiters have wild fertile soil,
Corrupted lives are their paradise,
Tolerant environment makes them go beyond themselves,
They openly challenge society,
They can bare their fangs and open their claws
They can run riot,
What they show are ferocious features,
What they do goes against reason and nature,
They can shout to the laborers, "Just do it if you want to work here, or fuck off!"
Battening upon the blood of the workers is right to them,
Wage arrears after finishing work is natural.

The sky turns gloomy,
The land lacks warmth,
The torrent is no longer turbulent,
The surface of the river is frozen by the cold winter,

Maintaining social stability has armed to the teeth,
The old-day yamen appears again,¹¹²
The weak cannot argue,
The wronged have no place to redress injustice,
Who dares to demand wage arrears?
The portals of the rich reek of flesh and wine,
Who care how much bitter hidden?

Severe situation instil little optimism,
Cruel reality lies ahead,
The struggle is inevitable,
“Autumn harvest” is our leader,
“May fourth” is our model,
Predecessors’ tracks give hope and encourage the successors,
For equality we must struggle,
For emancipation we must fight without fear,
We do not allow the revival of the exploiting class,
Our shout is bound to strike panic in the hearts of the exploiters,
How can the bright universe allow for this darkness?
How can the wheel of history be reversed?
The surging actions of the laborers will not only dispel the clouds and reveal the sun, but also change the world.

---XZC¹¹³

This worker’s poem describes clearly what he understands as the “great transformation” or the social formation of the workers in China. It illustrates three important social aspects of today’s society. First, economic development has been

¹¹² Yamen is a term often used to describe the government before 1949. It refers to the headquarters of a Chinese government department..

¹¹³ <http://news.qq.com/a/20120503/000811.htm> reported in part.

the primary focus of the entire social order since 1978. Consequently, the labor relationship changed tremendously, which is particularly evident in the revival of the exploiting class. At the same time, the social values have changed and are now predominantly money-oriented.

Secondly, the state has changed profoundly, reverting to the “yamen” of a pre-modern era where workers’ interests were not assured and social justice did not always prevail. The poet also highlights what the scholars identify as the subsumption of class discourse in an era of class formation (Pun & Chan, 2008). Thirdly, the worker sees the struggle as unavoidable. He states clearly that the target of the struggle is the exploiting class and frames the current situation in a historical context, seeing it as part of a historical tide; he references the struggle in terms of both the May Fourth movement and the Autumn Harvest revolution.

9.1 The Nature of Chinese Capitalism

In recent years, numerous scholars have focused their attention on China’s transition to capitalism. A number have used the China Model as a way of avoiding the discussion of this transition, while others have addressed the characteristics of Chinese capitalism.

A typical analysis has been provided by Huang. Based on the assumption that the scale of private sector indicates the extent of capitalism, Huang (2008) concludes that the evolution of Chinese economic development falls into two important stages. He argues that, in the 1980s, China was developing a type of entrepreneurial capitalism in which small rural entrepreneurs played the leading role but that, in the 1990s, the entrepreneurial model moved towards state-led capitalism which favored large government-sponsored urban enterprises.

Huang’s argument is consistent with that of the well-known economist, Wu Jinglian,

who insisted that without political reform the Chinese economy will be a form of “crony capitalism.”¹¹⁴ They propose, essentially, that the main problem with the Chinese economy is not because it has taken a capitalist course, but that it is actually not capitalist enough given the too-small private sector.

This position is loudly voiced in China today. From the viewpoint of these economists, the main economic issue for China is the contradiction between state-owned enterprises and private enterprise. Accordingly, this contradiction is unthinkingly transferred as contradiction between the state and the people, or between the citizen and the state. It seems then, that these contradictions can only be solved through deepening reform.

Andreas argues that this conception of capitalism in China is not altogether wrong. In reality, corruption is rampant, and party and state officials are lining their pockets while most people are struggling to survive. However, the biggest problem is that government is allowing increasingly powerful capitalist enterprises to run roughshod over the employees and the smaller competitors (Andreas, 2010).

I will argue, with respect to the historical development of the Chinese construction industry, that the discourse of reform is entirely ideological. It seems that economists cannot grasp the nature and particularity of Chinese capitalism, perhaps because they tend to ignore the historical path of the Chinese economic transition.

The history of reform in the construction industry, described in Chapter 2, clearly reveals two important aspects. On the one hand, the state created this capitalist mode of production. This particular transition process, which has been called “path dependence,” also created a bureaucratic capitalist class. Maurice Meisner, an esteemed scholar of Chinese history, notes that “although it was not yet considered

¹¹⁴ <http://www.aisixiang.com/data/31767.html>

legitimate for officials themselves to become private capitalists, as was to become the custom in the 1990s, it was common for friends and relatives of officials to set up businesses funded by bureaucratic capital accumulated through various forms of official profiteering and corruption” (Meisner 1996, 324). Meisner predicted rightly that, because the members of the newly formed capitalist class are also the agents of the state, they play a dual role. He notes that, “in playing this dual role, they do not contribute to pluralism, as often is reflexively assumed, but rather tend to further integrate state and society.” Consequently, class conflicts express themselves frequently as conflicts between the state and society, or between the state and its citizens.

On the other hand, the new mode of production for capital accumulation essentially established in the late 1990s. For example, in the construction industry, the reform mainly created all what was essential for a capitalist mode of production, including the commodification of labor power. Until the financial reform, beginning in 1994 in the construction industry, the state had created an economy ruled by the market — the housing market, land market, financial market, and labor market — aiming at accumulation. That is to say, by the end of the 1990s, the reform to restore capitalism completed and China was on the road of capitalism.¹¹⁵ In recent years, numerous critics blamed the stagnation of reform on the various interest groups. It is easy to understand this situation because a new mode of production, with a new class structure embedded in it, already formed.

The past ten years of the new century can be seen as a stage of adjustment, where conflicts resulting from radical social change are dealt with. The Chinese ruling class, faced with a crisis of legitimacy, has attempted to alleviate class conflict. The campaign to end wage arrears and introduce labor contract law are two measures that can be taken to provide a foundation for the process of capital accumulation based on

¹¹⁵ Of course the crashed down of 1989 movement is the preparation for completely restoration.

solid employment contracts.

Due to this situation, the challenge of the Chinese working class is strong. On the one hand, due to the dual role of the capitalist class, workers are obliged to struggle both with capital and, at the same time, with the state. On the other hand, the tendency to integrate state and society means that the state will try its best to stop any independent movement from forming such as, labor unions or other forms of workers' organizations.

9.2 Workers' Power and the Future of the Labor Subcontracting System

As a Chinese saying goes, "Strength in numbers," but there is also the saying, "Different people have different minds, so people are like a heap of loose sand." This latter saying describes the phenomenon characteristic of the construction industry. The workforce in the construction industry is immense, but it nonetheless appears to be weak. How can workers transform their sheer numbers into a power base? How do they unite the many grains of sand into something solid and workable? That is the main concern of this research.

This research has borrowed its framework from Beverley Silver in order to examine the bargaining power of construction workers under the labor subcontracting system. The power of workers has been weakened by the labor subcontracting system. This is in part due to the reality that, since the production process is loosely integrated under the labor subcontracting system, the labor force is fragmented into small work teams. And there are only very few strategic positions in the production process where workers are usually paid in different fashion. Additionally, without a union or other form of organizing, and lacking in the knowledge of organizing in general, workers are limited in their ability, and their potential, to unite themselves. The main

actor is the work team which is usually controlled by the labor subcontractors. Moreover, the labor subcontracting system creates multiple levels of obstacles preventing workers from using labor law to empower themselves.

However, confronted with such plight of struggle, there are nonetheless different ways for workers to construct bargaining power out of the process of their struggle.

First, given that workers' workplace bargaining power is weak overall, the ability to gain any bargaining power by way of a strike action from a single work team is also compromised. Even so, workers continuously initiate work stoppages by barring the doors to the construction site, and switching off the electrical supply, and sometimes turn to the consumers (occupy the sales office). Timing, solidarity, and understanding the production process is important for this kind of struggle. This kind of action also carries with it the risk that from time to time, workers are punished severely.

Secondly, work-team-based solidarity can extend to alliances between several work teams. The process of struggle usually produces the need to unite, but in order for workers to realize the necessity for unity, certain actors are crucial. If the leader of the small work team realizes the need, and guides the workers towards making these alliances, unity becomes possible. However, these alliances can only be strengthened if workers have mutual intercourse, or contact through proximity and engagement with each other so that they are well-coordinated in the struggle.

Thirdly, many researchers emphasize the importance of community in workers' struggles. For the workers in the construction industry, community is formed in their living quarters — which are also temporary and prone to brewing friction. How can such living quarters provide a basis for collective action? A core group of workers is necessary to mediate the conflicts between workers on and off the work site. Leaders

are essential for building prestige among the workers, and for educating workers with respect to their legal rights (and the mechanisms that provide recourse to the law) and understanding of the “dark side” of the construction site (bad conditions, exploitation). The process of taking public action is also important in that it mobilizes the workers to realize their common goal, and the solidarity is also strengthened in this process.

The workers’ agency in the construction of their power is worth emphasizing. The mutual intercourse generated in and out of the production process is vital for workers to go beyond individual work team to form alliances. It also resonates with what Fantasia may called the cultures of solidarity, which embody in workers’ intentional actions to mediate dispute, explaining and publicizing labor law, and exposing the illegal and immoral doings of the company.

Dialectically, workers can not only get their payment of some amount of fees for injury but also produce themselves as a new subject in the process of struggles. Michael Lebowitz observes that the process of struggle, by building “a different kind of worker,” builds in them a sense of agency and “capacity”:

In the absence of struggle, Marx argued that the workers would be “a heartbroken, a weak-minded, a worn-out, unresisting mass.” Struggles are a process of production: they produce a different kind of worker, a worker who produces herself or himself as someone whose capacity has grown, whose confidence develops, whose ability to organize and unite expands. But why should we think this is limited to wage struggles? Every struggle in which people assert themselves, every struggle in which they push for social justice, every struggle to realize their own potential and their need for self-development, builds the capacities of the actors.¹¹⁶

¹¹⁶ <https://monthlyreview.org/2012/12/01/what-makes-the-working-class-a-revolutionary-subject>

Workers are never puppets who are simply controlled, either by the *guanxi* hegemony or by the “rule of law” hegemony. The struggles, though tough, are at the same time “building the capacity of the actors.” In the context of the struggle in which construction workers engage, “capacity” is built in three important ways.

Foremost, as workers struggle, the awareness of their own power changes in fundamental ways. Rick Fantasia notes that, “ ‘cultures of solidarity’ will thus tend to emerge only when workers or employers circumvent routine channels and workers seek, or are forced to rely on their mutual solidarity as the basis for their power” (Fantasia,1988,19). Construction workers have long been seen as the most underprivileged group in China, and so tend to view themselves in this way to some extent. However, the process of struggle alters this view. When workers find that they cannot rely on anybody, they discover that the only way forward is to rely on themselves. This transformation is imposed on the workers by their situation at the outset. But gradually, they will intentionally begin to construct their own power — as we see in the mobilization of temporary communities and in the process of making alliances. Moreover, the experience of the struggle (tactics and organizational capacity) is accumulated in the work teams. So the process of struggle is thus producing experienced work team to struggle consciously. Progress is being made. Recently, a group of experienced workers have been reported as struggling for written contracts and unions of their own.¹¹⁷

Workers are well aware of the nature of capital even though most do not have the language for it. They nonetheless have a relatively clear understanding of how capitalism operates, and their rising awareness is revealed in the tactics brought into play in workplace actions. They have come to understand that the root of wage-arrear issues do not reside in the person of the labor subcontractor, rather, in the labor subcontracting system. In the absence of the labor subcontractor, they are

¹¹⁷ <http://www.chengbiancun.com/special/topic/cwu.html>

able to organize themselves to demand their wages directly from the company. That they also know the production process well is indicated by the tactics they use in constructing derivative bargaining power.¹¹⁸

Additionally, workers' political awareness is changing as they are becoming more enlightened in the process of workplace actions. Almost every time that workers took action, they began by going to the labor bureau. As they encountered roadblocks along the way, they came to understand the position of the state — as one worker asked, “Which side are the officials on? Are they helping the workers or the boss?” The process of enlightenment has come through the stages of expectation, disappointment, and finally, of understanding the stance of the state. At present, workers do not quite understand the workings of a capitalist state and so their default explanation is “corruption.” Most workers still have illusions about the central government, partly because the labor laws appear to protect the workers by the way they are written, and partly because they lack of information about what the ruling class actually does. The media also helps construct the image of a responsible central government in contrast to a corrupt local government by frequently referring to the law as a way out of the present situation and reporting examples where higher level government supervise local government to enforce laws.

Finally, the process of the struggle in which construction workers are engaged also contributes to expand the working class force by transforming labor subcontractors into the opponents of the labor subcontracting system. The labor subcontracting system has long been used for organizing and controlling the workers, but it has recently changed. The illegal position of the labor subcontractors leaves them unprotected and perhaps, because of this, they are more and more involved in the labor disputes just as ordinary workers are. This further divides labor subcontractors

¹¹⁸ Sometimes workers are organized by the labor service company to ask the construction company for project money. And, they have also been organized by both labor service companies and construction companies to ask the developer for project money. They are also trained by the capitalist class.

into upper level subcontractors who renting construction qualification, those setting up labor service companies, or those who join the workers in their work place actions. As the labor subcontractors join these actions, the power of the workers is strengthened and the struggle is intensified.

In conclusion, the process of struggle produces the workers as new subjects in the expansion of the working class; it raises workers' consciousness, and increases their organizational and tactical capabilities. Although much of the present struggle in the construction industry revolves around demanding the payment of delayed wages from the labor power buyer, — which does not directly challenge the fundamental capital-labor relationship — the process nonetheless has the potential to do this. Once workers are trained by way of this struggle, they will not remain bound to the situation of powerlessness as McNall stated “Although people come to a movement with definite expectations, they also develop new ones as a result of confronting the established political and economic order” (McNall, 1986).

9.3 Implications of Informal Labor Struggles

It is estimated that the number of informal workers in China has reached to 140 million and informal employment accounts for more than 50% of urban workers (Kuruvilla, S., Lee, C. K., & Gallagher, M. E, 2011, 3). Informal labor is the basis for the main workforce in China, yet research on the struggle of informal workers is rare.

Historically speaking, the informal labor struggle in China can be divided into three waves: the struggle to abolish the labor subcontracting system before 1949, the struggle by informal workers to abolish the use of temporary labor during the Cultural Revolution, and the current struggle of workers to get delayed wages and social insurance. During the first wave, the labor subcontracting system was abolished mainly by the socialist state; during the second wave, the associational

power of workers was strengthened to a large extent given political opportunity and a rise in workers' awareness and, as a consequence, their capacity to organize themselves.¹¹⁹ What about the third wave?

The struggle of the construction workers is in many ways representative of the informal labor struggle in China. The lack of formal contracts, insecure employment, and the absence of pensions are characteristic features of informal labor arrangements. And so, the construction workers' struggles have important implications for workers' struggles in general and for informal workers in particular.

Chinese capitalism has created (and depends upon) the proletarianization of workers. As this proletarianization deepens, this mode of production is not sustainable. More and more workers will demand payment in more immediate periods of time. More and more workers will demand social insurance and written contracts. In the process of this struggle, workers will reduce the scale of informalization in their employment arrangements, if not eliminate informal arrangements altogether.

Since the workplace bargaining power for informal workers is weak to begin with, and the legal process is not effective for these workers, the main form that this struggle takes will move beyond the framework of "protecting legal rights." It will lay in the formation of mutual solidarity, in finding alternatives ways to stage work stoppages, and in forging new social relationship in and out of work. Activists and organizers who are able to link workers in different work units and mobilize their discontent are essential for realizing common goals. While these leaders are important at the outset, the process of struggle will, in and of itself, develop the agency of the ordinary worker.

¹¹⁹ One leader recalls that he understood the issue and wrote a denunciation even before the Cultural Revolution was launched.

http://blog.boxun.com/hero/2007/zhongguogongdang/6_1.shtml

Furthermore, the state is the creator and the supporting force behind the accumulation of capital. The role of the state in a capitalist country has been a hot issue for a long time. Is the state has its own autonomy, or dominated by capitalist class, or in a contradictory position? In the Chinese context, the contradictions between different levels of the state is emphasized, along with the complicity between the central government and local government concerning the denial of labor rights (Zheng, 2010). Others emphasize the difference between various government agencies (Lee, 2008). These are all relevant explanations, but they are incomplete. However, the most important precondition for these arguments which remain unexamined is that both local and central government are deeply involved and motivated by the accumulation of capital. The central government has issued labor laws to limit the influence of local government, but the main goal is to build Chinese capitalism on a sustainable basis and to make conflicts manageable.

Finally, as McNall has argued, class is simultaneously structural, organizational, and ideological. Chinese media has involved itself in the struggle of workers, especially that of the informal workers, because they appear to be the most vulnerable and provide a ready subject for public sympathy. But, the voice of the media is one-dimensional. The media tends to resort to the language of the “rule of law” which distorts and obscures the essence of the struggle. Nor can the media pave the way for the emancipation of workers. Apparently, the mainstream media is dominated by capital and by the state. Furthermore, the situation of workers’ power – structural, organizational and ideological – as discussed in this research indicates that at present the working class struggle in China is still in a low level in which workers’ actions are mainly limited in economic struggles. And the political and ideological demands of the workers have not been nurtured in ideological struggle in the mainstream, which means that there is still a long way for the workers to become politically mature and voice their own understanding of the present situation and the way out of it.

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