



Dormitory buildings, Shenzhen.
Photo: DcMaster.

From Dormitory System to Conciliatory Despotism

Changing Labour Regimes in Chinese Factories

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China's manufacturing model has been built on the exploitation of migrant workers under a despotic labour regime. But is that still the case? Based on extensive research in the Chinese garment sector, this essay argues that while draconian controls persist up to this day, the situation of China's migrants has undergone dramatic transformations that encompass not only changes in the workers' demographic profile and everyday life practices, but also new social, technical, and gendered divisions of labour inside factories.

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For the past three decades, China's export-led manufacturing model has been built on extensive exploitation of its migrant workforce under a despotic labour regime. Draconian controls persist, and it is easy to view both Chinese migrant workers and the ways employers subordinate them as static and unchanging. Yet the situation of China's migrants has undergone a dramatic transformation—a shift that encompasses not only changes in their demographic profile and everyday life practices, but also new social, technical, and gendered divisions of labour inside factories.

This transformation presents a formidable challenge for any conceptual understanding of how factory regimes and management controls have changed under global capitalism. How do managers exert control in Chinese factories? What are the characteristics of China's current labour regime? To examine these changes, in 2010, I lived with several young male migrant workers for six months in a small apartment near a garment factory in the Pearl River Delta (PRD).

Focussing on labour-intensive, foreign-owned factories where tens of millions of migrant workers have worked since the early 1990s, in this essay I trace the changes embodied by reform policies and practiced by managers and workers. My findings reveal that since the mid-2000s new modes of domination—crystallised into a new labour regime that I call 'conciliatory despotism'—have combined coercive power with new workplace tactics and production strategies.

Breaks and Continuity

While extant studies have noted how the emphases of labour regimes shift in line with changing patterns in the capitalist economy and society (Sturdy et al. 2010), the emerging Chinese labour regime of

'conciliatory despotism' has had a unique developmental trajectory. On the one hand, it incorporates new measures of control that allow factory managements to adapt to changing global production environments and to a domestic economy marred by labour shortages. On the other, it inherits a series of despotic disciplinary measures that were developed during the first exploitative wave of capitalist manufacturing in China during the 1990s, when foreign companies took advantage of the vulnerability of rural migrants under an apartheid-like urban household registration system that was itself a legacy of the Maoist period.

My research highlights the coexistence of institutional continuity and a change in the labour-intensive factories of post-socialist China. While the Chinese state still engages in labour law non-enforcement and employers still rely on strong disciplinary measures to reinforce their managerial practices, in the past few years the Chinese state has relaxed the major institution that determined migrant workers' lives in urban areas in the 1990s: the discriminatory, restrictive household registration system (*hukou*). At the same time, real wages have risen substantially and, consequently, workers are no longer financially desperate and vulnerable. For instance, in response to workers' capacity to afford to live outside factory dormitories, away from the constant control of their employer, local residents have constructed apartment buildings that enable migrant workers to find alternative accommodation outside factory compounds. Labour shortages have also compelled employers to recruit more young male migrants, resulting in new gendered divisions of labour and workplace politics on the shop floor. As a result of these new changes, managers and policy-makers have had to devise new mechanisms of 'soft control' to conciliate workers' grievances.

Beyond the Dormitory Labour Regime

A great deal of China's export industry is clustered in Guangdong province. Until recently, the Chinese authorities tightly implemented the *hukou* system to control the mobility of migrant workers in much the same way as the South African government used the pass system in the days of apartheid (Alexander and Chan 2004). By restricting peasants to the countryside, the state could control not only urban growth but also the status and identity of individuals.

Without an urban registration, rural migrants needed a permit to remain away from home, and they could only secure this if they had an employer. Police in the Pearl River Delta (PRD) regularly checked their permits on the streets, a situation that not only intensified migrants' fear of unemployment but also pushed them to get factory jobs at any condition in order to become registered 'workers' and remain in the region. Taking advantage of this situation, factory management drew up shop floor and dormitory rules alongside physical punishments to discipline and penalise migrant workers in order to transform them into docile and disciplined subjects (Lee 1998; Chan 2001; Pun 2005).

Outside factories, in the public sphere, the state wielded the power to control the inflow of migrant workers; inside, managers held sway over their lives. Workers from the countryside were normally required by their employers to reside inside the factory grounds, in crowded dormitories that often accommodated eight people in a single room. Factory dormitories and production lines were interlinked, in what Chris Smith and Pun Ngai have defined the 'dormitory labour regime' (Smith and Pun 2006; Pun and Smith 2007; Chan and Pun 2009). The dormitory was an extension of the point of production, and factory management could

flexibly utilise and prolong work hours, thus maintaining a great breadth of control over the working and non-working time of the employees.

But this despotic dormitory factory regime no longer prevails today, as employers have lost their monopoly over the housing of the workers. In the early 2000s, local villagers in the PRD began to demolish their old houses to construct cheap, ugly apartment buildings. They did so in order to profitably rent out rooms to migrants who did not want to live in factory dormitories. Still, if workers were finally able to escape the dormitories, this was only because of major changes in their own standing vis-à-vis management (Siu 2015).

Labour Famine and Worker Empowerment

A fundamental change that occurred is that today migrant workers are no longer desperate to keep their jobs. As the factories in China relentlessly expanded in number and size year after year, the stream of young rural migrants no longer exceeds the ever-growing need for workers. Since 2003, factory jobs have been readily available, and employers have been competing to find workers. Facing labour shortages, local governments in industrialised districts no longer seek to control the movements of the workers. Migrant workers today do not need to obtain work permits to stay in the PRD region, though they still are supposed to obtain temporary residence permits, which are seldom checked in the streets.

In the 1990s and early 2000s, for most types of production work, factory managers were willing to employ only young women between the ages of eighteen and twenty-three, on the ground that they have nimbler hands, are more obedient, and easier to manage. The factories were not interested in older rural women in the belief that by

the age of twenty-four most of them would return to their home village to get married and have a child. But the number of young rural women in China was not limitless, and as the number of factories kept expanding, labour shortages of young women became evident. For this reason, since around 2003, employers could no longer allow themselves to be too choosy and had to start employing women in their early thirties, as well as young men (Chan et al. 2009; Chan and Siu 2010).

The competition to recruit workers has had at least one other effect: over the past 12 years, the real wages of migrant workers have more than tripled in Shenzhen, China's leading centre for the export industry. By the late 2000s, migrant workers in the southern metropolis could afford to regularly eat meals with vegetables and meat, to snack regularly at fast-food outlets, and to eat sometimes at small cheap restaurants; they could afford smartphones; could afford to dress attractively—and could afford to talk back or quit work if harassed. This needs to be put into context, though. They were still very poor, and by urban Chinese standards their hourly wages were considered quite low. Moreover, urban residents still refused to engage in blue-collar work in factories where migrants worked. In their shared rental apartments, double-decker beds were crowded together. When I lived with a group of male migrants, my housemates decided to save even more money by sharing the same mattress with another worker, each sleeping in shifts.

Towards Conciliatory Despotism

My study of a garment factory in the PRD reveals that all control mechanisms are embedded in a wide array of factory rules, regulations, practices, customs, production hierarchies, divisions of labour, and systems

of production. Each of these modes of domination assumes different forms, with mechanisms ranging from despotic to the tactical and strategic. Coercive power includes punishment, disciplinary measures, and restrictive resignation and leave policies. Workplace tactics and strategies include affective personal ties and face-giving, (collective) bargaining, and encouragement of competition among workers. Over time, social, technical, and gendered divisions of labour and the production hierarchy have been altered.

The use of punishment and disciplinary tools, affective personal ties, face-giving tactics, hidden collective bargaining, and competition among workers jointly determine the extent to which workers are dominated. The ways these mechanisms combine and the extent to which each of them has been brought into play has changed over the past decade. Extracting extra work time is one of the major aims of the despotic apparatuses, and exploitation is evident to workers who are forced, for instance, to do unpaid overtime. In a changing labour environment, though, a new shop-floor culture comprising of new strategies to control workers' emotions, dispositions, and rationalities, seemingly speaks against the literature in Chinese labour studies from an earlier decade which emphasised the blatant coercion of a despotic labour regime (Chan 2001).

How does all this change our understanding of contemporary Chinese practices? My research has shown that despotic controls alone are no longer able to maintain factory order, and that a new regime of 'conciliatory despotism' has been taking shape to replace the older dormitory labour regime. 'Conciliatory' refers to the incorporation of new mechanisms of soft control in normative forms of shop-floor tactics and production strategies, aimed at creating a shop-floor culture which mediates direct confrontations, gives

workers a sense of give-and-take over the production process, and boosts individual productivity through competition.

Of particular importance to this conciliatory approach is the fact that line leaders and supervisors have to invest in affective ties with rank-and-file workers, and to devise effective interactive tactics whenever there are emotional outbursts. Different from the situation in the 1990s when despotism prevailed and management had no interest in appeasing workers, these affective ties—though thin, fragile, and still based mostly upon cold market relations and coercive power—are part of a new stage of development in China's labour-management relations. Such ties are strategically activated by low-level members of management to mediate workers' discontents in a context where coercive power alone is not effective enough to control employees.

Workers today can readily find jobs elsewhere and thus are able to respond to excessive coercion by leaving the factory. Thus, low-level managers, in dealing with emotional outbursts, invoke Chinese cultural norms through face-giving tactics to maintain factory order. Giving workers 'face' entails temporarily considering workers not as subordinate tools for production, but as human beings to be respected (at least nominally). Unlike the situation in the 1990s, where management in Chinese factories considered rural migrants to be 'uncivilised' subjects in need of disciplining by modern factory rules and practices, the unequal power relationship between managers and migrants is slowly shifting towards a more 'humanised' social bond through which both rank-and-file workers and low-level management are increasingly able to influence the outcomes of the labour process in China.

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