

The Social Question as the Struggle over Precarity

The Case of China

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The modern welfare state owed its origin to the disruptive power of workers' movements and the threat of communist revolutions in Europe. Bismarck's pioneering compulsory social insurance funds in the 1880s was a response to the "worker question"—the social upheaval in the wake of proletarianization and the rising political power of organized labor. Progressive and protective social policies (insurance for sickness, pension, injuries, unemployment) gradually expanded coverage from the male proletariat to other social groups, broadening the terrain of the "social" to include workers' families, future workers, former workers, lapsed workers, thereby achieving the domestication of the working class and "regulation of the social" by the state.¹ Other European nations followed suit in the ensuing decades, with the impetus to establish full-employment capitalism reinforced by the political need to match the gains workers won in the Communist bloc during the Cold War era.² If the specter of Communism kept capitalism on guard, what kind of "security" was available to the working masses under Communism? And how did that system evolve to shape precarity under neoliberalism?

This chapter examines these questions through the trajectory of China's precariats from state socialism to the country's integration with global capitalism. The "social question" here refers to the multifaceted contestations, or relational struggles, over precarity. Analytically, at least three contested terrains can be identified: the *regulation* of class relation and power at the point of production, usually by the state and the law; the *social reproduction* of labor beyond wage work, or the provision of care and subsistence for maintaining and renewing workers' labor power on a daily and generational basis; and the *recognition* of labor, or the ideological

and symbolic resources that members of society can use to make claims on collective security and well-being. The overall argument is that over the past seven decades, the most salient terrain for relational struggles has shifted from recognition to regulation and now to the social reproduction of labor. Notwithstanding China's spectacular economic development, the social question qua labor question remains, albeit in changing forms.

PRECARIOUS VERSUS PERMANENT PROLETARIATS UNDER STATE SOCIALISM

Notwithstanding the communist ideology of equality and protection, state paternalism during the planned-economy period was practiced on the principle of exclusivity, not universality, resulting in a hierarchy of inequality and insecurity. The famed "iron rice bowl"—permanent employment with the guarantee of cradle-to-grave welfare—was available to only one-fifth of the Chinese workforce, almost all of them urbanites.³ The vast majority of the working population, including workers in collective industries and the even larger contingent of farmers, were categorically excluded from state-funded and guaranteed welfare. Instead, these workers depended on revenues of their own collective enterprises or communes for wages and collective benefits, which varied widely across work units, villages, and regions. The main driver of precarity in this period was the Communist state's strategy of accumulation and domination. Worker resistance was spearheaded by marginalized workers who appropriated the communist ideology of equality and proletarian leadership to demand recognition of their status and equal compensation.

Of particular importance to the Maoist regime of accumulation was the state-sponsored rural-urban divide and the concomitant unequal citizenship regime. The transfer of surplus from agriculture to industry, from country to city, and from peasants to workers could not have been possible without the *hukuo* (household registration) system, which essentially locked rural workers down in their birthplace, and the state-imposed "price scissors," which artificially devalued agricultural labor relative to industrial labor. Not guaranteed or supported by state budget, agricultural collectives (i.e., a three-level system of commune, brigade, and team from 1958 to 1979) were self-sufficient basic units of production and accounting, and depended on self-generated resources to buffer risk and provide basic medical services, primary education, and emergency relief.⁴ Rural precariousness was starkly displayed during the Great Leap famine: nearly all of the estimated ten to twenty million who starved to death were rural residents. Based on data on the differential reduction in grain consumption during the famine, it was clear that the state protected urban residents from starvation.⁵ Sociologist Martin Whyte calls this rigid regime of unequal citizenship a "socialist caste" system.⁶

In cities, during the first three decades of state socialism in post-revolutionary China, a “dual” labor system separated permanent workers from marginal and temporary workers, with each of these two categories marked by elaborate internal differentiation in wages, benefits, and political status. The much-touted “proletariat master” of the Communist nation, who enjoyed permanent employment, and full and free medical care, housing, and pension amounting to more than half of their former wages, represented only a small minority of the Chinese workforce at any point in time, and they were found only in the urban, state-owned, heavy-industrial sector. The split and inequality between the regular and the contract proletariat coexisted inconveniently and incongruously with the official ideology aimed at creating a united proletarian political backing for the party. The contradiction between reality and ideology—between policies geared to incentivize productivity by differential compensation and policies aimed at realizing “work according to need” and protection for all—surfaced most publicly during mass mobilization of the Hundred Flowers Campaign (1957) and the Cultural Revolution (1966–1976). The “contract proletariat” was at the forefront of labor activism, seizing these state-endorsed moments of class struggle to demand equal treatment in wages, benefits, and permanent terms of employment.

Several political economic conditions led to institutionalized inequality among Chinese workers. During the revolution, the Chinese Communist Party drew its working-class support mainly from southern skilled artisans—printers, copper fitters, metal workers, mechanics—whose guild tradition of exclusivity and paternalism found expression in the new Communist industrial order in the People’s Republic. Former leaders of the Communist labor movement in Shanghai, the industrial heartland of prerevolutionary China, became top officials in charge of instituting labor insurance regulations and according trade unions with important welfare functions.

But just as only a portion of labor had been actively engaged on the communist side during the revolution, so the fruits of struggle were enjoyed by a limited constituency as well. . . . In 1952, when the new labor insurance system was first implemented, a mere seven percent of the work force was covered by its generous provisions. By 1958, following the socialization of industry, coverage reached a high point of thirty percent. In 1978, at the beginning of the post-Mao reforms, only some twenty-two percent of the labor force could claim such benefits—a figure that remained steady throughout the 1980s.⁷

Contrary to its connotation, the “planned” economy had to deal with financial constraints, production pressure, and input shortages and fluctuation by creating flexibility in its workforce. It also depended on the deliberate use of unequal rewards to incentivize productivity among workers, spawning different kinds of polarities within the labor force, across sectors (light and heavy industries and service), ranks (seniority), occupation (skills), and ownership type (state or

collective). On the eve of economic reform, there were thirteen million temporary workers (or 16 percent) in industrial employment alone.⁸ A bewildering numbers of informal arrangements allocated these urban and rural residents to different kinds of temporary positions to provide necessary flexibility to state industries under the planned economy. *Temporary* workers were needed to do work permanent workers resisted doing, to pitch in during hot summer months when absenteeism of permanent workers was common, to undertake enterprise expansion or building addition, and so forth. Then there were the *apprentices*, who endured years of training at substandard wages and benefits and were often resentful of their masters. *Migrant workers* from the countryside took up contract jobs in the cities, receiving salaries without any benefits. Their numbers expanded rapidly during the Great Leap Forward. *Social youth*, a euphemistic term for the unemployed youth, usually of urban bourgeois family backgrounds, who refused to go into agriculture, were encouraged to join propaganda work to ensure their political loyalty. City governments set up labor service stations, which functioned as labor contractors and charged service fees, to help people looking for temporary jobs. In Shanghai, China's premier industrial center, as Lynn White remarked, "the social division between secure and marginal workers is as notable in a developing Communist city as in a developing capitalist one."⁹

If the state-socialist strategy of accumulation called for instituting a hierarchy of rural and urban precarity and vulnerability, its legitimating ideology directly contradicted this reality. Ironically, precarious workers under Communism developed heightened consciousness of their class position and disadvantages because official propaganda trumpeted equality and unity. Historians of Chinese labor have established that marginal workers played a disproportionately active role in responding to significant episodes of political mobilizations—the Hundred Flowers, the Cultural Revolution, and the April Fifth Movement in 1976. In 1957, after a national outpouring of labor unrest in 1956, partly spurred by popular dissent during the Hungarian revolt, labor disturbance erupted in more 587 enterprises, involving nearly thirty thousand workers. Workers in "joint-ownership" enterprises, apprentices, temporary workers, and those who had lost their permanent status through job reassignment, all resentful of their inferior conditions of service, drove the unrest.¹⁰ A decade later, the "economistic wind" (workers demand for material improvement) during the Cultural Revolution originated among long term irregular workers and those workers who had been mobilized to go down to the countryside to support the peasants. Later, the demands of these groups spread to workers in the interior and to intellectual youths who had been part of the up to the mountain down to the countryside resettlement campaign.¹¹ Eventually the economistic fever infested even permanent state employees with secure urban household registration.¹² Then, in 1976, mass demonstrations and riots broke out in more than forty places across the country. Young and marginalized workers who were persecuted for their bourgeois leanings during the Cultural Revolution

seized this occasion of commemorating the late premier Zhou Enlai to express their dissatisfaction with the political persecutions and injustices they suffered.¹³

In short, notwithstanding the mythology of communist egalitarianism, worker solidarity, and state paternalism, the Chinese working class under Mao was fragmented and marked by inequalities in the realms of production, social reproduction, and social status. On top of prerevolutionary cleavages of gender, skills, and native-place origins, the Communist party-state sponsored and solidified labor divisions along lines of state- or collective-ownership, core and peripheral industrial sectors, rural-urban *hukuo*, party and nonparty membership, and permanent and temporary status. The state, or its politics and policies, was the main driver of protection and precariousness, both material and symbolic. The centrality of ideological domination in the Mao era and the glaring contradictions between socialist ideology and reality fueled working-class discontents and resistance. Workers were able to seize the moments when the political opportunity structure was periodically opened up by elite struggles at the top. Relational struggles of precarity in this period pivoted on recognition targeting the state, that is, marginalized categories of workers leveraging symbolic resources offered by official ideology to make material claims on the state. Production relations in the workplace were regulated by the party-state's direct presence and bureaucratic rules. Despite its uneven distribution, the social reproduction of labor provided by either state and collective welfare or rural collective welfare was not the focus of labor strife. As we shall see, in the de-ideologized reform era, the hegemony of market competition and individual responsibility has the effect of silencing workers' recognition struggles. Regulation would become the main contested terrain as the Communist regime pursued market reform and maintained social stability through the law, the court, and related bureaucratic channels.

HIGH-GROWTH MARKET REFORM ERA: 1980–2009

If the driver of precarization during the Mao era was the state, China's reform and opening since around 1980 has ushered in global capital as an added force aggravating the social question qua labor question. To catch up with the developed world, and finding its competitive niches in the lowest nodes of the global production chains, China's industries and workers bear the disproportionate costs (razor-thin profit margins and exploitative labor conditions) of global capital's flexible accumulation. Beyond global industries, Chinese domestic strategies of growth (fixed asset investment and state-led urbanization) have also led to the rise of precarity in construction and urban services, while its strategy of domination (by monopolizing representation of worker interests) and of legitimation (market-driven trickle-down developmentalism) have seriously hampered the bargaining power of labor vis-à-vis capital. If in the pre-reform period, state domination via ideology fueled recognition struggles, in the reform period, it was labor laws that

mediate and mitigate class exploitation, making regulation the pivotal contested terrain of labor precarity.

This section on the high-growth phase of Chinese reform (1980–2010) first depicts a spectrum of informal labor modalities in manufacturing, construction, and services, and discusses how their emergence is predicated on the state’s economic-development strategies. While the Chinese labor literature has spotlighted the archetypical semi-proletarianized migrant worker in global factories, this section brings to light less visible (i.e., less recognized) forms of precarious labor—the self-exploited, “rush order” micro-entrepreneurs, student interns, dispatch workers, construction workers, street vendors, care workers, and others. The second part discusses the state’s strategies of legitimation and its alliance with various types of capital in the making of precarious labor. Contrary to the commonplace understanding of precarious labor as the absence of state regulation, I will show that the state is actively involved in the relational struggles that define precarity in China. The third part of the discussion turns to workers’ capacity, interest, and activism, a constitutive moment of precarity. As the state used the law and its elaborate bureaucratic apparatus (arbitration, mediation, and petition systems) to regulate class conflicts between capital and labor, legal mobilization also became the prevalent mode of worker struggles. When these channels failed to resolve conflicts, the state would resort to bargaining with protesting workers or selective repression to maintain social stability. The strong performance of the economy gave the state the fiscal capacity required for economic absorption of labor conflicts, and it shaped workers’ interests in opting for “exit” (i.e., job hopping) as a strategy of survival. As we shall see later, in the current period of slow growth, these conditions may no longer hold.

A SPECTRUM OF PRECARIETY ARISING FROM THE STATE’S STRATEGIES OF DEVELOPMENT

Global Factories, Ghost Workshops, and Shadow Workers

After the crackdown of the 1989 Tiananmen uprising, the Communist regime confronted simultaneously a legitimacy crisis and a severe economic downturn. In response, the Deng Xiaoping leadership in the early 1990s made a decisive move to hasten the pace and scope of economic liberalization and internationalization. The first casualties of urban reform were state workers in old industrial regions. But the death of the socialist working class also saw the birth of a new working class made up mostly of migrants from the countryside.¹⁴ By then, global capital had consolidated a regime of flexible accumulation, spinning commodity chains around the world, with profits reaped mostly by multinationals in advanced core countries that specialized in design, brand, and market development. The logistical and information technology revolutions had made global sourcing and contract manufacturing the paradigmatic organizational mode of capitalist production. China

found a niche as “the workshop of the world,” thanks to its large, disciplined, and relatively educated and healthy rural workforce—legacies of the state-socialist period.¹⁵ Therefore, precarious labor in the reform period resulted partly from the historical timing of China’s insertion into the global economy, where it has found competitive edge in the lowest nodes of the commodity chain.

Nike, Gap, Apple, Samsung, Walmart, and the likes stand at the commanding height of many “buyer-driven commodity chains” that have extensive networks and elaborate hierarchies of contract manufacturers and subcontractors in China. The despotic factory regime that exploits and disciplines tens of millions of Chinese migrant workers has been the focal concern of China labor studies in the past two decades. In reality, hidden within and beneath this factory regime are many other modes of precarious work. For instance, since the mid-2000s, global and domestic factories have increasingly turned to a new group of vulnerable, informal workers—student interns. In Foxconn and Honda factories, interns, accounting for 15 percent to 50 percent of the workforce, are sent to work, for anywhere from two months to two years.¹⁶ These are students enrolled in vocational schools’ nursing, auto maintenance, or business administration programs, but they are sent to these factories as a mandatory part of their training. Working without labor contract or social insurance, doing tasks unrelated to their majors, these workers are not recognized as workers under the Labor Law, although they work and live like other full-time workers.¹⁷

What has also escaped media and scholarly attention are the layers upon layers of subcontractors working for global contractors in a wide range of industries. Buffering suppliers of global companies from market fluctuations, and concealed in shadowy workplaces are many modalities of informal production arrangements, ambiguous class relations, and precarious livelihoods that defy the binary categorization of “labor” and “capital.” Chinese sociologists Huang Yan, Fan Lulu, and Xue Hong have discovered a hidden world of mobile “rush-order” workshops.¹⁸ Kin, familial, and locality ties and trust, not legal contracts, bind workers together as “on-call” mobile but skilled work groups. They show up in subcontractor factories to fulfill particular rush orders. Some even show up in factories with their own sewing machines and production equipment, which they bought from other on-call enterprises that moved on when orders disappeared. Hence the numerous “factory-for-sale” advertisements plastered on public walls in many industrial areas.

Experienced and well-connected workers became micro-entrepreneurs toiling alongside family members in rented workshops. Lacking employment security and insurance protection, but working at an intense pace, rush-order workers reported making more money than regular factory employment, if and when orders existed. These workers and the factories that hired them seldom showed up in industrial statistics. “Most small factories like ours are not registered businesses. We do not issue invoices, so officials from Industry and Commerce Office, as well

as the Tax Office, rarely come to visit. But the Labor Department does come to inspect regularly, so we do need to offer a bribe on different occasions, otherwise they will just come to check our labor agreements, pension, child labor, and etc.”¹⁹

Many of these on-call micro-enterprises or worker cooperatives have emerged as vast networks or clusters of production: garments in Humen, Dongguan; electronics assembly in Shijie, Dongguan; leather in Shiling, Huadu District of Guangzhou; lighting fixtures in Gu, Zhongshan; footwear in Wenzhou, Zhejiang; and textiles in Shaoxing, Zhejiang. Native-place networks also bring migrant workers from particular hometowns to corner labor-market niches: workers from Hubei Province’s Jingzhou City are engaged in Humen’s garment industry, Jiangxi Province’s Ganzhou in Dongguan’s electronics assembly, and Hunan Province’s Shaoyang in Huadu’s leather industry.

Construction Workers

Besides China’s niche in the global value chain, the centrality of state investment in infrastructure as a motor of economic growth has contributed to a three-decade-long construction boom. Between 1978 and 2008, fixed-asset investment grew from 30 percent to 45 percent of GDP, whereas household consumption dropped from 50 percent to 35 percent.²⁰ The \$570 million stimulus package Beijing rolled out after the global financial crisis in 2008 created another infrastructure construction binge, in a sector already plagued with overcapacity.²¹ In 2010, construction accounted for some 25 percent of China’s GDP. A steady 30 percent to 50 percent of the 260 million-strong migrant workforce have found employment in construction, which is also the number-one industry employing male migrant workers.²²

Worldwide, construction is one of the most informally organized industries, thanks to its project-based, mobile nature, its intricate, labor-intensive work process requiring a plethora of skills, and a long tradition of extensive subcontracting through labor brokers. Sarah Swider’s book on China’s construction workers differentiates three types of informal employment configurations, revealing the slave-like conditions for those workers relegated to the bottom tier of this hierarchy of informal work. The least vulnerable condition, what she calls “mediated employment” is where an employment relationship is established, mediated, and regulated through a contract-labor system based on standardized, widespread, yet informal agreement. Then there are those operating under “embedded employment,” which regulates work and workers through social networks. Finally, under “individualized employment,” workers find employment through street labor markets and face despotic employment relations regulated through violence or the threat of violence. While the Chinese press and the Chinese government have exposed the rampant problem of the nonpayment of wages experienced by the first two types of informal employment in construction, the blatant abuses suffered by the last category of workers have gone under the radar. Most of the time, these workers work for food and shelter rather than wages. When they get paid, they are

paid at a piece rate that requires an inhumane pace of work and long hours. The main control mechanism is violence, and their main alternatives are begging or criminal activities.²³

Service: Street Vendors, Domestic Workers, and Dispatch Workers

Besides heavy investment in infrastructure, the Chinese state's growth strategy through breakneck urbanization has also generated a sizable informal service economy in its major global and metropolitan cities. At times visible, at times not, subsistence, low-wage, or "wage-less" labor of self-employed petty commodity traders, street vendors, maids, and personal service providers of all kinds meet the cities' consumption and entertainment needs (shopping, strolling, and socializing). In 2010, there were an estimated eighteen million street vendors in China's urban areas, or 5.2 percent of the urban workforce and 16 percent of those in informal urban employment.²⁴ Many of them worked as street vendors of food, fruit, and consumer commodities, waste and trash sorters, cooks and servers in small restaurants, hair stylists, porters, motorcyclists, itinerant interior-decoration workers, and so forth.²⁵ Domestic workers, another prevalent mode of informal work, reached twenty million in 2015, according to government statistics.²⁶ Most of them are middle-aged female migrant workers or laid-off urban workers.

Finally, dispatch workers, or agency workers, emerged only in the late 1990s, when the government encouraged "flexible employment" in response to the mass unemployment induced by the restructuring of state-owned enterprises. By 2012, there were an estimated thirty-seven million dispatch workers, accounting for 13.1 percent of registered employees. The trend of increasing prevalence is particularly visible in the service sector.²⁷ Even though dispatch workers are defined and regulated by the Labor Contract Law (2008) and their protection augmented in the revised Labor Contract Law (2013), widespread violation and evasion of the law by employers are well documented. Most ironically, state-owned enterprises are found to be major users of dispatch workers.²⁸

REGULATION STRUGGLES

In the period of high-growth, export-led development, relational struggle over precarity played out on the terrain of state regulation. A common conceptual error in the literature is that precarious and informal labor is caused or defined by the absence of state regulation. Quite the contrary is true in China and other places where the state is central to the structuring and reproduction of precarity through laws and government policies. Let's mention three examples to illustrate the alignment of state and capital interest in legalizing precarious labor but according them inferior rights and entitlements. First, the Labor Law and the Labor Contract Law stipulate inferior treatments for dispatch workers as opposed to regular workers by defining the dispatch workers relation to employers as one

of a “labor service” relation rather than a “labor” relation. As “employees” rather than “workers,” dispatch workers are legally excluded from the social insurance and other labor protections stipulated in the Labor Law.²⁹ Second, the state actively regulates the supply of the massive migrant population (about 250 million today). Their rights and entitlements are stipulated by local government policies in different regions, forming a variety of citizenship regimes that reflect the need of capital for a particular kind of workers.³⁰ Third, the supply of student interns is orchestrated by the Ministry of Education, vocational school administrators and teachers, and local education departments and is mediated by private labor agencies.³¹

Since China’s first-ever National Labor Law took effect in 1995, the legal arena has become the main site of labor struggles. On paper, Chinese labor legislations set such a high standard that according to an OECD report on employment protection, in 2008 China ranked second in employment protection across ten major developing economies and exceeded the OECD average substantially.³² The problem is that rather than submitting itself to the rule of law, the Chinese state, both central and local, uses law as an opportunistic instrument to achieve policy and political goals. This means that sometimes, some labor laws are enforced if they are in the interest of the government at various levels of the political system. A few official statistics illustrate the gaps between legal rights and actualized rights among migrant workers. In 2014, 62 percent of migrant workers still lacked written contract, 84 percent lacked pension, 83 percent health insurance, and 90 percent unemployment insurance.³³

The pivotal role of the law is in regulating labor-market and labor relations and channeling labor resistance to the terrains of the law and related bureaucratic institutions. The state uses labor resistance as a “fire alarm” mechanism that alerts local government to particularistic and particularly egregious labor violations.³⁴ When the volume of labor disputes points toward certain serious abuses by the employers, the Central Government resorts to another round of legislation requiring more stringent labor protection, triggering new responses by employers to bypass new legal constraints on their use of labor. In this process, both the state and employers have common interest in preempting workers from developing collective organization capacity.

Industrial workers have been most prominent in labor unrest. In the 1990s, rust-belt workers took to the street, making moral economic claims often enshrined in state regulations about their health care and pension benefits. In the sun belt, tens of millions of young migrant workers employed in export-oriented factories waged their own struggles against exploitative labor practices and violations of their legal labor rights—nonpayment of wages, excessive overtime, unsafe workplaces, arbitrary dismissal, and dehumanizing shop-floor discipline. In both cases, labor unrest—taking the forms of street protests, public demonstrations, road blockages, strikes, and legal mobilizations—was characterized by localized,

workplace-based, cellular activism, privileging socioeconomic demands, and observant of limits set by the law and the state.

On the part of the state, social stability has been maintained by a deft combination of protest bargaining (i.e., buying them off during mobilization), bureaucratic absorption (channeling workers into mediation and court procedures), clientelism (exchanging cooperation for material advantages), cooptation (recruiting workers as party members and sponsoring NGOs under official banners), and selective repression (the arrest and harassment of influential activists as warnings for all).³⁵ State policies and market development fragment workers' interests and identities, while repression and cooptation have largely been effective in crashing and preempting any attempt at cross-enterprise, cross-class, cross-regional, and cross-sectoral mobilization. Over time, even without institutional empowerment, the volume and persistence of worker activism has created pressure on the state to improve their lot—from the establishment of minimum wage regulations and state provision of minimum livelihood guarantee to the promulgation of various labor laws and steady increases in wages.³⁶

Meanwhile, the All-China Federation of Trade Unions (ACFTU), the only legal workers' union in China, is tightly controlled by the Chinese Communist Party at the national and local levels and is dominated by management at the enterprise level. The ACFTU is deeply alienated from its 285 million-strong rank-and-file workers. Union membership typically includes management, from whom most of the union chairs at the enterprise level are appointed or indirectly elected. Unions are financed by a 2 percent payroll tax paid by the enterprise rather than membership dues.³⁷ Above the enterprise level, union cadres are recruited through the same civil service examination as all other government officials, and they behave and think like government officials. As Eli Friedman writes, "Union officials' first response to strikes is that of an agent of the state: intervene, 'rationally' encourage dialogue, convince the workers the make 'reasonable' demands . . . and perhaps try to persuade management . . . to meet some of the workers' demands."³⁸ The monopolization or appropriation of worker representation by the party-state deprives Chinese workers of a powerful leverage to bargain with capital, buttressing an institutional foundation for precarious labor to spread in China.

In the shadow of the official trade unions, grassroots labor NGOs have proliferated slowly but steadily since the late 1990s. Nationally, there are an estimated seventy-two or so labor NGOs operating semi-legally in major industrial regions to provide legal counseling, training, and recreation services to migrant workers. Reliant on foreign foundations and domestic donations, established by concerned academics, journalists, or former workers turned rights activists, these NGOs lead a very precarious existence in the legal limbo.³⁹ Harassment and crackdown by officials and employers, even physical assaults by thugs are commonplace. Most of them pursue a self-limiting form of mobilization: coaching individuals or small groups of workers to make rights claims against the government and thereby

raising their consciousness. But once these NGOs go beyond this contained mode of mobilization to actually mobilize workers for collective bargaining or strikes, the government reacts by arresting and imprisoning their most prominent leaders and subjecting them to smear campaigns on national television, as a way to discipline the rest of the NGO sector.⁴⁰

INTO THE VOID: AUTHORITARIANISM IN ECONOMIC DOWNTURN (2010 TO THE PRESENT)

Since the global financial crisis of 2008 and a prolonged downturn in China's traditional export markets, many internal imbalances of the Chinese economic "miracle" have been exacerbated.⁴¹ If sustained economic growth has buttressed the legitimacy of one-party authoritarian rule for three decades, China is certainly entering uncharted waters. Concurrent with what the government has called an *economic* new normal, a *political* new normal—the state's repressive turn against civil society—has also taken roots since 2012, when President Xi Jinping took power. In this new phase of slow growth but augmented authoritarianism, labor will be hard hit. I argue that as more workers fall outside the recognition and regulatory framework of the law, the most salient contested terrain of the social question is shifting to the social reproduction of labor, or livelihood itself. Beyond exploitation, more workers are compelled into relations of dispossession, indebtedness, and exclusion. These relations may reorganize precarious labor's interest and capacity in new ways and spur labor activism to take a more disruptive and volatile turn outside institutionalized and regulated arenas. They may also prompt the state to reform its social protection policies in order to preempt a livelihood crisis for many in a period of economic downturn.

THE "NEW NORMAL"

The Chinese Government has officially announced the end of the high-growth period.⁴² The Twelfth Five-Year Plan (2011–2015) recognized that the annual growth in excess of 10 percent (the average over 2003–2010) was unsustainable, and it envisaged the annual growth rate to be around 7 percent, which was further revised down to 6.5 percent in the Thirteenth Five-Year Plan (2016–2020).⁴³ Plagued by overcapacity in steel and coal and other "zombie" state-owned industries, the government announced in 2015 a scheduled massive laid off of five to six million in 2016.⁴⁴ Top officials in Beijing have blamed the Labor Contract Law for creating rigidity and neglecting business interests, while some local governments have frozen wage increases and reduced employers' contribution to social security accounts. The government has signaled its intention to revise the labor law to reduce protection for labor and create more labor-market flexibility in the face of economic slowdown.⁴⁵

But the challenge for the working population is much more complicated than a sheer reduction in aggregate growth rate and lower demand for labor. Besides labor-market exclusion and precarization, I want to note the rise of two other kinds of power relations—dispossession and indebtedness—contributing to a potential crisis in the social reproduction of labor.

Dispossession

In the wake of the 2008 global financial crisis, the Chinese government rolled out an aggressive stimulus package equivalent to 12.5 percent of China's 2008 GDP, to the tune of \$586 billion. This unleashed a period of debt-fueled growth whereby local governments borrowed heavily from state banks to fund transport and power infrastructure projects, build housing, and invest in rural health and education. While these measures stabilized the economy in the short run, they also exacerbated the problems of overcapacity and local debts. Local governments have since relied more heavily on selling land to repay the massive debts and interest payments, leading to rampant land grabs, which were intensified by another state policy to stimulate domestic consumption—state-led urbanization. The National New-type Urbanization Plan, announced in 2014, aims to elevate China's urbanization rate from 54 percent to 60 percent of the population by 2020. The rationale is simple: to boost domestic demand and increase consumption.

As a result of land grabs and state-enforced urbanization, a double crisis of land dispossession and unemployment is spreading among farmers, who have moved to the cities from the countryside.⁴⁶ Land grabs have happened in 43 percent of the 1,791 villages sampled in a multiyear seventeen-province survey.⁴⁷ One recent ethnographic study depicts the grim reality for migrant workers after their land was dispossessed. In Sichuan, one of the largest labor-sending provinces in China, they became the most undesirable workers for labor brokers in the construction business. Since labor brokers have to underwrite the cost of transportation and living during workers' employment period, and laborers must survive until the end of the year for wages to be paid, landless workers are seen as too precarious for this precarious occupation. "Without land, brokers and laborers face new financial pressure. Brokers must shift recruitment to other sites where laborers hold land and are better able to withstand precarious employment."⁴⁸ In short, China's landless migrant workers, now nominally urban residents in townships, find themselves in an emerging underclass position that is even more precarious than the conventional landholding migrant workers.

Indebtedness

Just as jobless growth is a global trend, the Chinese government's response conforms to trends elsewhere—promoting entrepreneurship and the gig economy. To manage popular expectation about a prolonged economic slowdown and to

create a culture of entrepreneurship rather than a culture of employment, the Chinese premier announced in his 2015 Government Work Report that “innovative entrepreneurship” is the “new economic normal” for Chinese citizens. From 2014 to 2015, three and a half million new private business entities were formed, 90 percent of them were micro-enterprises in information, software, entertainment, and services.⁴⁹ The gig economy has taken off, with a workforce estimated at sixty million in 2016.⁵⁰ Different levels of the government have set up funding schemes to encourage “mass entrepreneurship”:⁵¹ more than twenty provinces now provide loans, rent subsidies, tax reduction to encourage university graduates to set up micro-enterprises, technological incubators, and online businesses. The increase in both public debt (discussed earlier) and private debt is tantamount to deploying future resources to secure present social peace. The politics of credit will become a major arena of struggle as the debt state and the debt society compete for the allocation of credits. The Chinese government’s recent national experiments with using big data to assign social credit rating to all citizens ominously portends the rise of credit as a means of authoritarian control.⁵²

Disempowerment

In short, an increasing number of workers face multifaceted precarity—being excluded from the labor market (laid off, unemployed, or underemployed), dispossessed of their land as a means of social security and subsistence, and forced to incur debts in order to launch their micro-business ventures as self-employed entrepreneurs. As the economic pressures on livelihood mount, the political space for collective mobilization and self-organizing is also narrowing. The current top leader, Xi Jinping, compared to his predecessors, Hu Jintao and Jiang Zemin, has launched exceptionally harsh, widespread, and repressive crackdowns on the human rights and NGO communities. Reversing Hu’s emphasis on social harmony and Jiang’s on rule of law and internationalization, Xi has announced zero tolerance for dissent and has demanded total submission both at the elite and grassroots levels in the media and education arenas. Anticorruption campaigns are used selectively to target his political opponents at the top. Arrests and imprisonment of rights lawyers and labor NGO activists have had chilling effects on worker capacity, just as some labor activists have begun taking bolder action beyond cellular and legal mobilization.

PRECARIATS’ STRUGGLES FOR LIVELIHOOD

Since around 2010, economic downturns, plant relocations, and restructurings have contributed to a rising trend of strikes in the formal sector. In the wake of some high-profile strikes in foreign-invested companies making global consumer products, such as Honda, Foxconn, IBM, and Yue Yuen, some journalists and

scholars of Chinese labor saw a tendency of labor empowerment. Their argument, in a nutshell, is that the second generation of migrant workers are more conscious of class and rights and savvy about social media and technology, demanding union representation in addition to increased compensation and adopting an extra-legal action repertoire. Yet closer empirical analyses of the processes and outcomes of these strikes conveyed quite a different picture. Except on the issue of wage increases, workers did not make any lasting gain in union election, security of employment, and workplace reforms. Also, action based around single factories is still the norm, and so is workers' concern to stay within the boundary of the law in their action. There is no evidence to show that second-generation workers are more prone to collective action than the first generation.⁵³

A critical and new development was emerging around the time of these attention-grabbing strikes, but away from the media limelight. In the past five years, a dozen or so grassroots NGOs, after years of providing individual rights-based legal assistance to workers, sought to augment their impacts by mobilizing workers to undertake worker-led collective bargaining with their employers. With the financial support of labor groups outside of China and legal advice of rights lawyers within China, daring NGO activists built networks of worker activists across factories and recruited cross-class participation by students and academics in sustaining strikes. NGO activists coined a new term "labor movement NGOs" to distinguish themselves from their former self as service providing NGOs. They provided moral, legal, and training support to striking workers and, most impressively, liaised worker leaders from different factories to share their experience in bargaining with employers and organizing workers. Labor scholar Li Chun-yun has documented forty-two strikes in South China between 2011 to 2014 involving eleven labor movement NGOs.⁵⁴ However, in late 2015, Xi Jinping's government reacted by arresting key labor NGO leaders and orchestrated smear campaigns against them and their organizations on national television, stifling the confidence and capacity of a budding worker movement. It is uncertain whether repression under the political new normal will end up thwarting or radicalizing these NGOs.

Even as the political space for grassroots NGOs is curtailed, self-mobilized worker struggles have continued. A new tendency is that workers' demands have increasingly turned toward issues of pension, housing, and livelihood, or the social reproduction of labor. As the first generation of migrant workers approach retirement age, they have become more vigilant about employers' making the legally required contributions to their pension and housing funds. Rustbelt state-sector workers newly laid off by the state's call to reduce overcapacity also demanded en masse for the state to protect their livelihood and retirement. For informal workers who occupy the blurred boundaries between capital and labor, employed and self-employed, their demands are framed and experienced broadly as crisis of livelihood. For instance, in 2015, a wave of taxi driver strikes hit major cities in coastal and interior provinces due to the competition of on-demand app-based

car services. Even though taxi drivers are self-employed—they own the means of production (taxis), pay for their own gasoline and car insurance and maintenance, and are not employees of taxi companies—they have to pay a fixed “membership fee” every month to their company in order to participate in this semi-monopolistic industry. The competition of on-demand drivers threatens taxi drivers’ livelihood and survival, which is how they described the reasons for their strikes.

In cities, government encroachments on the use of the “urban commons” are increasingly depriving precarious workers a crucial resource for their subsistence economy in the Chinese cities. Street vendors’ clashes with *chengguan*, a para-police force first set up in the late 1990s, at times turned violent and escalated into mass protests involving local residents resentful of official brutality.⁵⁵ In Zengcheng in 2011, the scuffle between a pregnant female street vendor and the *chengguan* turned into several days of riots by migrant informal workers, who burned government offices and destroyed police cars. In a much smaller scale, violence clashes erupted in 2013 between citizens and police after the death of a watermelon vendor who was attacked by the *chengguan* in Linwu, a city in Hunan province.⁵⁶ Such dynamics are reminiscent of the unanticipated consequences of a street vendor’s self-immolation in Tunisia in January 2011, which touched off a powerful political tsunami throughout the Arab world.

Another scenario is also possible. While the struggles of precarious workers have the potential to be more violent, volatile, and less institutionally incorporated, workers can easily become more atomized and acquiescent. This is so not just because of the frequent change of jobs, depriving them of stable social relations and spatial concentration and communication. As workers cobble together various sources of incomes and resources, their interests (whether based on market or production) are also differentiated and fragmented.⁵⁷ Finally, we cannot underestimate the responsiveness of the Chinese state. Despite its autocratic politics, the state has a track record of weathering many socioeconomic crises by responding to social discontents with policy innovations in order to maintain social stability. As it has done so in the past in both rural and urban China, the state has been compelled by popular unrest to gradually develop and strengthen social and welfare policies to protect the livelihood of the most vulnerable citizens.⁵⁸ As the gig economy grows, boundaries of labor and capital are blurred, and livelihood pressures increase for the general citizenry, the regime may be compelled once again to find policy solutions.

CONCLUSION

Defining the social question as relational struggles over precarity, we can see a shift in the most salient terrain of contestation from recognition to regulation and now social reproduction of labor, as China evolved from a state-socialist political economy to one of high-growth market economy and then to a new normal

of slow, job-scarce growth, overcapacity, and enhanced authoritarianism. The driver of precarity in each period also differs, shaping workers' interests, capacities, and claims. This chapter is a reminder of the tenacious salience of the social question in China, even if there is no denying that China's capitalist boom has lifted millions out of *absolute* poverty (declining from 84 percent to 16 percent of population between 1981 and 2005). Echoing a point made in the introduction, poverty reduction does not nullify the existence and politics of precarity, if only because workers everywhere experience and act on precarity in relative and relational ways. Precarity, or the social question, and the struggles emanating from and against it, should always be theorized in historical, cultural, and context-specific terms.

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