Putting Transnational Labour Process in its Place: Dormitory Labour Regime in Post-Socialist China

Pun Ngai, Division of Social Science, Hong Kong University of Science and Technology (email: sonpun@ust.hk)

Abstract

Globalization of capital accumulation and transnational production highlight a shifting paradigm in labour process theory, which requires a theorization on spatial politics of production. The shift from Taylorism and Fordism (mass assembly line and welfare-state interventions) to flexible accumulation (flexible production, casual labour, deregulation and privatization) may be a periodization that has become increasingly problematic. What is emerging is the transnational political economy of production that links not only to a new scale of the economic, but a new economy of scale, in which time and space are extensively reconfigured for capital accumulation in a global scale. This paper aims to explore a new spatial politics of transnational labour process in China at the time of its rapid incorporation into world economy. We study a new form of labour regime, the dormitory labour regime in China, and explore the integration of reproduction and production of labour using two case studies.

Key words: China, dormitory labour regime, spatial politics, transnational labour process and transnational production.
Introduction

Globalization of capital accumulation and transnational production highlight a changing paradigm in labour process practice, which requires a theorization on the spatial politics of production. The shift from Taylorism and Fordism (mass production, mass consumption and welfare-state interventions) to flexible accumulation (flexible production, casual labour, withdrawal of state interventions, deregulation and privatization) may be a periodization that has become increasingly problematic. The flexible production paradigm appears to be no longer able to encompass many developing countries that have been tightly incorporated into global industrial capitalism in a transnational context. What is emerging is the transnational political economy of production that links not only to a new scale of the economic, but a new economy of scale, in which time and space are extensively reconfigured for capital accumulation on a global scale (Harvey, 2001). Deterritorization of production in the ‘Third World’, explicitly in the making of China as a world factory, has greatly challenged, if not replaced the flexible production politics, notably of a western context.

Burawoy’s (1985) concept of ‘politics of production’ was critical to labour process theory for bringing back the political and ideological effects of production regimes, in which the role of state played a central part in shaping the nature of production and labour politics. What was missing from Burawoy’s consideration was the spatial aspect of production, something that David Harvey (1982) has sought to provide through a critique of Marx’s theory on capital accumulation. Transnational reorganization of world production makes it harder to neglect this missing dimension - the spatial production of production. Capital flows, labour mobility, technology diffusion, international subcontracting chains, information networks, just-in-time production, are transnational processes that not only require intensive reconfiguration of time, but also rapid re-organization of space. Time-space compression characteristic of the global age is not an annihilation of space (Hutton and Giddens, 2000). Rather it crystallizes an abrupt, conflictual and fluid process of rapid reconfiguration of spatial arrangements for capitalist expansion and global manufacturing, namely, in the international division of labour (Frobel et al 1980; Henderson and Castells, 1987), transnational corporations and capitalist class (Sklaire, 2001), technology transfer and the mobility of labour (Sassen 1988); feminization of labour use and the growth of new factory-towns in Latin America, Asia, and especially in China (Nash and Fernandez-Kelly, 1983; Deyo 1989; Lee 1998). What is often neglected in these studies, is a more micro but deeper view on how this reconfiguration of spatial
production influences the production politics in a multi-scaling production site, where the macro field of global economy meets with the micro field of local political and labour market institutions and workplace relations (Frenkel, 2003). How this transnational re-organization of world production, by articulating global, national and local factors, gives birth to new form of labour regime and workplace relations are the main focus of this article.

Analysis of the spatiality of transnational political economy highlights a fundamental paradox central to global capital. That the imperative of capital flight - the deterritorization of production on a global scale - means nevertheless, that workplaces require provisional setting within specific locales to ensure that surpluses are expropriated within a given time-frame (Harvey, 2001). This transnational space, as a space of capital can be highly abstract, but as a terrain of contest between capital and labour it is concrete and embedded as it is realised in a specific labour process with ‘spatial fixes’ (Harvey, 1982, p.416). Therefore while capital is globalizing, production always takes place somewhere. While territory or space is discounted through higher capital flows, there is always a locality effect or influence where specific classes of employers, managers and workers come together for the purpose of production. Strategies of localization in terms of production processes, influence over local communities as well as labour control are parts of the political economy of global capitalism that are both institutionally and locally embedded (Peck, 1996).

This paper seeks to explore one particular locality effect, namely the construction of export-orientated factories in China, and the role of the Chinese state, transnational capital and internal migrant labour in producing an exceptionally productive labour regime in this space. The paper examines the linkages between the production and reproduction of labour power in this transnational labour process space. We aim to characterise a new form of labour regime, the dormitory labour regime in China, as providing production conditions that out-compete other systems, especially flexible production and traditional Fordism in the current period. This is because within this system labour costs are low, the productivity of workers high, and the access to extensive low cost labour reserves institutionalised within a political economy between state and market. Further, the form of labour capture allows access to cheap labour without a longer-term build-up of labour institutions that would lead to higher wage pressures. That is, unlike traditional labour markets in the West, wages and working conditions within the dormitory labour regime are not circumscribed by the operation of geographically rooted norms, trade union institutions and localised practices that normally emerge under geographically bounded social conditions, and which serve to increase wages and workers living standards (Storper and Walker, 1989, p.157; Herod, Peck and Wills, 2003). Instead, the systemic provision of dormitories for internal
migrant labour within or around factories, facilitates the continuous access to fresh labour reserves from the countryside and depresses wage demands and affects collective organisation by workers in a particular industrial space. The dormitory labour regime in concentrating and yet circulating labour between capitals, therefore represents a powerful labour management regime, which China is currently using to fuel its integration with the world economy.

The paper argues that the movement of industrial capital to China from advanced economies such as the United States, Europe and the Asia region (Japan, Korea, Hong Kong and Taiwan especially) particularly in clothing, electronics, toys and many other consumer goods sectors, signifies an abandonment of production regimes in which labour, institutionally speaking, could have more effort and mobility power, to one in which employers have more control over labour effort and mobility. In other words, capital flight to China is to a regime where labour power is massively weakened relative to the power of capital and the power of labour in the western manufacturing countries. To better understand these shifts, the paper advocates for a ‘transnational labour process perspective’. By this we mean an analysis of work relations within a concrete or embedded production process, but one which is locked into transnational capital flows, labour flows, and work organisation practices that are not only nationally bounded, but transnational and global in their structure. Moreover, we argue that the study of the production process requires the study of the reproduction of labour, especially daily reproduction, as how workers are attached to the firm – through a dormitory labour regime – means the factory-centred socialisation of the daily reproduction of labour, extended management powers over workers' lives, and extension of the working day and flexible controls over working time in a manner which is not provided within home-work separations within conventional market economies. It is a kind of new production space re-institutionalised between transnational capital and local state in China for re-fusing the sphere of production and reproduction of labour into one regime. The emergence of the dormitory labour regime in China is not idiosyncratic as dormitory use for labour has a long history both in a western or eastern context of industrialisation. What is interesting is not the recurrence of an old form of labour use in global capitalism, but the reconfiguration of hybrid forms of work-residence for the daily reproduction of labour in transnational labour process space.

The paper begins by examining the character of a dormitory labour regime, particularly as constructed within China both by capital and state. We then compare two contrasting case studies of transnational labour regimes. The first case, China Golden Garments, represents a local sub-contracting strategy, where working and dormitory conditions are of a poor standard, but production is maintained through
inter-firm networks to first and second-tier supplier companies that win orders, but must use the subcontracting network of firms to fulfil orders. The second, China Silver Garments, signifies a new management vision of a model factory which aims to adopt international quality standards and labour codes in order to gain western buyer approval for production to overseas markets. The article concludes by outlining a research agenda to explore in depth the spatial political economy of the dormitory labour regime in China as a particular form of transnational labour process.

The Dormitory Labour Regime in China

Foreign-invested manufacturing plants in China systematically house migrant workers in dormitories attached to or close to the factory compound (xxx, 2003). The dormitory labour regime is different from housing provision associated with classical paternalism in that it is generalised and not contingent by firm, sector, factor or company dispositions. It is more a spatial constraint than an employer preference. Moreover, dormitory provision cannot be easily seen as part of the paternalism identified in the Western model (see Ackers, 1998) or ‘managerial familism’ (Hazama, 1997) in Japan, or the firm as a ‘total institution’ (Walder, 1986; Shenker, 1996) of the pre-reform Chinese state enterprise. This is because dormitories attach workers for short-term capture, and hence accommodation does not function for the long-term or protracted relationship between the individual firm and the individual worker.

Such dormitories are communal multi-storey buildings, housing several hundred workers. Rooms are shared, with between 8-20 workers per room. Washing and toilet facilities are communal between rooms, floors or whole units, such that living space is intensely collective, with no area, except within the closed curtains of the worker’s bunk, for private space (Lee, 1998; Pun, 2005). Workers are typically single, migrant, young and disproportionately female. Migrant workers in dormitories are separated from families, (more especially parents), customary locale (and perhaps familiar food, language, and surroundings) and concentrated in a factory and workspace as homogenized labour of migrant genesis. The connection to the firm is short-term and contractual, in that migrants are not expected to mature their working lives within the firm. Wages can be held down through the linking of the firm to pool of labour in distant provinces of China, the availability of accommodation at work creating opportunities for considerable inter-provincial mobility. This inhibits local labour markets emerging around the factories, and the social and political institutions of industrial relations that would develop were workers to identify their economic fate with particular employers or a local labour market. Alienation of labour is therefore
significantly more than the lack of ownership of product, tools and control of skills sufficient to support independent production. Workers in dorms are alienated from their hometown, their parents, working within factories dominated by unfamiliar others, languages, food, production methods and products. Yet these objects and subjects confront the new worker virtually 24 hours per day, 7 days a week and often throughout the year.

In contrast to Western forms of accommodation provision by the employer, the dormitory labour regime in China is for short-tenure migrant labour within the factory compound or close to it. And the state initially provides the dormitories for the factory owners to rent. As housing provision is not for families, there is no interest from the firm in the reproduction of the next generation of labourers. Chinese society can take care of new workers, as the abundance of labour in the society ensures the continuous supply of commodified labour services to the firms. Rather, the focus is on maximising the utilisation of labour services of the temporary, migrant, and contract labourer by controlling the daily reproduction of their labour power.

The political economy of providing accommodation close to the factory is the linkage it supports between state, employer and international product market. The state through residency controls allows labour mobility, but workers must have employment to support temporary residence. Dormitories facilitate the temporary attachment or capture of labour by the firm, but also the massive circulation of labour, and hence the holding down of wages and the extensive lengthening of the working day, as working space and living space are integrated by the employer and state. A hybrid, transient workforce is created, circulating between factory and countryside, dominated by employers’ control over housing needs and state controls over residency permits.

In terms of family and age composition, the dormitory labour regime represents a unique factory system - a workforce of permanently young workers. This is an extraordinary achievement. Even in the English cotton factories of the 19th century the attempts to create a juvenile proletariat were limited by unionised older workers (Burawoy, 1985). Most factories remained mixed by age, even if women workers were progressively excluded. But in China today, a teenage proletariat dominates factories. To be able to produce increasingly sophisticated products for the world market through a Peter Pan proletariat (one that never grows old) is a tribute to the global power of technology, the state, management and organisation. However, while the structure of the dormitory labour regime is for the continual reproduction of young, transient working class, as we shall show through our case studies, the complete exclusion of older and married workers has not been achieved.
In the first phase of China’s export-oriented industrialization in the 1980s, dormitories were predominantly owned by local authorities and rented to factory owners. Starting from the mid 1990s, foreign-invested firms have been however increasingly building their own dorms to suit their own particular needs and typically, these facilities are within compounds flanking the factory. In these settings, the spatial integration between working and non-working life is tighter, and capital, rather than the state plays a more commanding role in controlling workers’ lives. In our two case studies, we provide examples of different ownership forms and highlight differences in the management of labour they offer.

The structural features of the dormitory labour regime described above have different articulations in particular firms. There is variety along a ‘continuum of control’ based on established institutional, organizational and spatial contingencies. These contingencies include the preferences of different ‘national’ capital, the size of the firm, the market segment occupied by the firm, whether production is for OEM or own brand, the capitalisation of the firm and the resources it can legitimately access within China and abroad. Again, our two case studies present workers’ lives along this continuum. In highlighting the contrasts between our two cases, we do not wish to ascribe a developmental logic to this, one backward, the other more advanced. However, we would say that in one case the strategy of capital with regard to the dormitory labour regime is to accept the rationalisation logic of international capital by embracing codes of conduct and international quality marks in order to access global markets more directly. This is the condition of what we are calling a ‘modernist’ player, China Silver. Whereas in the other case, with a different position in the supply chain, no branded goods and no access to the Chinese market, the firm plays a more third tier subcontractor role. This is the case with China Golden, our first case. In terms of dormitory provision, the latter depends entirely on the local state for the dorm, whereas on the case of China Silver, the firm has built its own dormitory to meet international not local standards. We will bring out the contrasts between these cases below.³

1. China Golden Garments: Practising Neo-Paternalistic Dormitory Labour Regime

   China Golden Garments is relatively small subcontracting garment factory set up in Dongguan, South China in 1997. China Golden had a workforce of 600, and is a typical Hong Kong-owned enterprise under control by a Hong Kong director who has the sole authority over the operation and management of the factory, thus having a
quasi-paternalistic style of management. China Golden lies in the mid node of the global subcontracting chain, in which it produces garments for Hong Kong buyers who hold the production orders from American and European corporations. China Golden has an office base in Hong Kong, which co-ordinates marketing, production orders, and materials provision, shipping and other activities for facilitating the whole production process in China.

Establishing a reputation for on-time delivery was of central importance to secure the company business in addition to having close personal relationship with Hong Kong buyers. In addition, establishing a reputation within the locality, and having close personal relationships with others entrepreneurs in the sector, and informal sharing of work, kept production going. This personal network building, instead of expansion of company profile or living up to international standards for working conditions, was the business strategy of China Golden.

There was no plan for building a new compound or expanding the existing facility. Both production and dormitory premises were rented from the local district government, which charged the company an additional management fee, which was 15 per cent of labour cost per head. Both production facilities and working environment were poor, but there was no strong incentive to upgrade the outlook of the company. The management knew that there was an international pressure to improve the working and living conditions by different codes of conduct. The Director had subscribed to the Disney code of conduct, which was displayed on the wall in Chinese. He said these codes were useful if they gave support on improvements – but as most only gave verbal advice and no resources, they were not considered particularly helpful. It was stressed that profit margins were so tight, that there was no room for additional costs that codes or new dormitories would bring.

### Accommodation, Labour Recruitment and Labour Turnover

Nearly all the workforce in China Golden were rural migrant workers from the provinces of Guangdong, Hunan, Hubei, Jiangxi, Anhui and Sichuan. The only locals of Dongguan, where the factory was based, were the accountant and the facilities manager of the company. The problems in housing these migrant workers were difficult and expensive, according to the facilities manager, though only very basic housing facilities were provided. The dormitory building of three stories was adjacent to the production building, which required only two minutes walk to the shop floor, thus easily facilitating a just-in-time labour system for production order that were very tight and maintaining the ‘on-time’ delivery strategy of the company. Each dormitory room
housed 12-16 workers and was very crowded, lacking ventilation, adequate lighting, and absolutely no private or individual space. No kitchen, toilet or bathroom was provided in the room, and thus the workers in each floor had to share common toilets and bathrooms at the end of the corridor. A hierarchy for the spatial arrangement in lodging was evident, this re-enforcing a hierarchy of labour. Managerial, technical and supervisory staff members were sharing 2 per room, but the rooms were also very basic.

The management admitted the living conditions were very poor, but blamed the local government for not providing enough space for adequate dormitory facilities. The dormitory building was built to accommodate 500 workers only, but in China Golden, it always had more than 600 workers. In one of the dormitory rooms, the toilet walls were blackened with moisture and covered all over with plastic sheets, and the broken window panels had been replaced by plastic in order to prevent air from entering the room. The general state of both the bathrooms and the toilets was extremely bad, and in some places filthy, indicating long-term neglect. This is typical of small to medium sized garment factories in South China where dorms were often ‘free’ and no deposit for accommodation was required.4

Neo-paternalism in this workplace reflected not only the managerial style which was almost a copy from the family-based enterprises in Hong Kong, but also the way the company heavily relied on family networks to recruit workers. As an example, a supervisor in charge of 60 workers in the finishing unit had 12 relatives in the factory, and he had been with the company for 6 years. With 600 workers in the factory, it only took about 50 families or less to be responsible for recruiting all of the workers. For the management side, we saw a few families controlling access to work. For the workers this means access to the factory was totally network-dependent, and strangers could not get a look in. This formed an ‘extended internal labour market’ (Manwaring, 1984) operating to pass job information to those linked to insiders, usually kin or same place individuals. In other words, if a family member or same village member got work in a clothing factory, this determined the fate of others that had to follow the flow into this clothing factory, or follow the significant individual around as they moved.

This might form a dormitory labour “honeycomb” pattern started from one or two core family members and spiralling to create a network linked to more than ten to fifteen workers in the same company (Pun, 2005). In China Golden, the finishing unit supervisor took six years to weave his family network connecting individuals to different work positions. Acting as a paternalistic patron, he needed not only to take care his relatives and co-villagers’ daily lives and accommodation, but also was responsible for their work behavior on the shop floor. All the family members recruited needed to be responsible, and this might act to police the performance of the worker; if they let the family down, they let the team down and payment, which was strongly...
performance based, would suffer (Greico, 1996). This resulted in a piece of cartography of dormitory labour making up mutual obligations as well as mutual control and group discipline in the workplace (Pun, 2005). Thus, labour mobility was balanced by these self-regulated job-hopping networks, which served as a stabiliser for keeping a constant labour force for the dormitory labour regime. This explained the lower levels of labour turnover in this factory compared with China Silver.

Therefore, for the workers’ side, individuals did not make ‘job choices’ as these were decided through connections, and are ‘structured’ through networks. It was not individualised or market economic rationality. For the management, it was one of the significant ways to shelter from the high labour turnover rate in the locality. In China Golden this was around 20-30 per cent annual labour turnover, a little lower than other companies in the region. Moreover, it was also one of the strategies to poach skilled workers and retain them through the kin and family networks. China Golden seldom trained fresh and unskilled labourers and when the new comers gain admittance, they entered as skilled or experienced workers. Their family members or co-villagers, who had work experiences in the company, had already trained most of the workers in their villages.

What is interesting here is that China Golden, a neo-paternalistic regime, had a lower labour turnover rate than China Silver, a modern one. Due to the pattern of recruitment, exiting was also a collective matter. Workers would leave in groups, not as individuals, and the dense network of family or village-members in the factory would inhibit individual opportunism – that is voluntary quitting by individuals. It was also evident that due to the more varied age profiles in the factory, China Golden had an age range from 16 to 40, suggesting that the family form of recruitment and labour control exercised in the absence of senior management control, operated to break age norms typical for migrant workers in China.

**Freedom of movement and management coercion**

China Golden stressed tighter control and more restrictive measures to regulate workers, who came from more than five provinces, and thus had a wider spatial mobility and segmentation than China Silver. The company kept the workers identity card as well as enforcing a system of deposits including RMB 20 for a company’s card, RMB 30 for a uniform, RMB 20 for work tools if applicable, RMB 50 for dormitory accommodation, making up a total of RMB 120. In addition to the token Disney’s Code, China Golden had its own code, the real one, which was far more detailed and disciplinary.

The working hours were very long; overtime work on Sundays and every night
was expected (see Chan, 2001). The workers in China Golden worked from 8am to 10 pm. If there were rush orders, the workers could be requested to work up till midnight. Twelve working hours per day was normal for the workers; a rest day would only be provided if there was a break of production orders or in the low season. This meant that the workers worked between 72 hours and 77 hours each week, far more than the working hours allowed by Chinese law (40 hours each week, and 36 hours overtime work per month). It openly violated the Chinese Law and Disney’s code. With longer working hours, the wages in China Golden were much higher than Golden Silver. The average wage for production workers was RMB 950 each month inclusive of overtime work, and the highest one could get up to RMB 2000 in high season. The paternalistic dormitory labour regime provided absolute lengthening of working hours and double extraction of labour power through absolute control of labour time and living space. In this sense, a paternalistic dormitory labour system seemed to be the archetype of the dormitory labour regime and was illustrative of the complicated relationship between the labour process, recruitment networks and the reproduction of labour.

2. China Silver Garments: Imagining a Modern Dormitory Regime

China Silver Garments is a joint-venture company owned by a Chinese manager and a Taiwanese family entrepreneur in the Shanghai region. Established in 1995, the company was mainly under the control of the Mainland Chinese manager who was in charge of daily management and operation of the production, while the Taiwanese counterpart served to provide and secure production orders mainly from a big European Corporation and Japanese buyers. China Silver Garments produces garments and underwear. It also produces its own undergarment brand for the Chinese market. According to management, some 30 per cent of China Silver Garments production went to this single European Corporation, which then enforced very strict company code of conduct to the factory. China Silver Garments hence had a high-end position along the global subcontracting chain.

While the management team was basically Mainland Chinese, China Silver Garments fostered an ambition for building up the most advanced and modern enterprise in the Shanghai region which could live up to the perceived international standards. This was thought to ensure that the company would be able to survive and expand in severe global competition by introducing modern management methods and international labour standards. The Chinese manager, a bright and ambitious figure,
was keen on imagining a new paradigm of management for the Chinese workplace, which has long been associated with a “sweatshop” image internationally or locally.

The politics of spatial production in capital accumulation was explicitly important to China Silver Garments, concerned as it was for tapping into the circulation of global production. The company was originally located in an old industrial zone of the city centre, northwest of Shanghai. To upgrade company scale and production facilities in order to attract more high valued production orders from international buyers, the company made a decision to input an investment of RMB 20 millions to build new factory premises. In March 2001 China Silver Garments moved into the new premises close to Shanghai, built in a high-tech and development zone, newly planned as an export-processing zone for foreign companies, joint-ventured companies and large-sized private companies. The new compound appeared modern and sophisticated, consisting of a three-storey building housing the production facilities, with an attached administrative block, a separate one-storey canteen (with kitchen) and a detached utility room. The vast compound (some 18,000 square metres) had a substantial unoccupied area, where management planned to erect a modern dormitory with advanced facilities.

**Accommodating the labour force**

To maintain its niche in the high-end production chain, China Silver Garments had been certified ISO 9000 in 2000 and ISO 14000 in 2002. The management was proud of their achievements in meeting these international standards on production quality, human resources and environmental issues. Management obtained SA 8000 in 2003, and a task force of five was formed to create an assessment and procedure system for promoting labour and human right standards according to the ILO Conventions.\(^5\)

While China Silver Garments already had an advanced company compound, what was lacking was a modern dormitory building that could live up to the corporate code of the European buyer. Frequent inspections from the European Corporation had hastened the process of building modern accommodation facilities for its workforce. Maintaining the number of employees around 1000, a suitable size for retaining quality workers, and a just-in-time labour system, an on-site dormitory was thus proposed onto the company business agenda. The task force said:

“The first priority is to build our dormitory as soon as possible. We need to meet the international requirements, but we also need to confine our workers in better living condition so that they can be more accessible to work.”
Having workers ‘on tap’ and ready for production as and when required seems the priority of management from the above quote. The ‘confinement’ of the workforce in relatively good living conditions under stricter management control, was paradoxically deemed a company strategy to retain workers who were often mobile and unstable. The labour turnover rate in foreign or private-owned enterprises in China is particularly high, ranging between 30-90 per cent each year.

Labour mobility was a top concern not only for management, but also for the Chinese government when it has to deal with 120 million rural migrants flooding the cities seeking job opportunities each year since the mid 1990s (see Cook, 2000). Ninety per cent of the workforce in China Silver Garments were rural workers coming from villages or towns in Zhejiang and Jiangsu, two near hinterland provinces of the Shanghai region. The remaining 10 per cent were local workers who lived at home. About 85 per cent of the workers employed in China Silver Garments were women. Most were between 22 – 24 years old. Accommodation of these workers thus was a touchy problem to the company since the new dormitory provisions were still not ready. Some 45 per cent of the workers lived in factory rented dormitories, fifteen minutes walk from the factory compound, and another 45 per cent lived in rooms rented by themselves in suburban areas. Some workers took half an hour to cycle to the factory.

A workforce hierarchy was constituted not only in the forms of wage, work position, status, but also living provisions in China Silver Garments. There was huge difference of accommodation provisions between the managerial staff, technical and clerical staff, and the remaining production workers represented a spatial hierarchy that served to reinforce segmentation of the labour force. The company was renting flats and dormitory rooms in three different locations nearby, for some 500 workers. The company had already rented these dormitories when it was operated in the previous premises. Two-bedroom flats were rented for managerial staff, forepersons or office clerical staff whose living conditions were far better than production workers. A shared dining room, kitchen, toilet and bathroom with hot water facilities were provided in the flats. Dormitory rooms rented from government built premises housing 8 to 16 people were for production workers. Living conditions were generally poor and far from meeting the corporate code’s requirements concerning housing minimum standards. No kitchen and bathroom were provided; a shared toilet used by more than ten workers did not provide adequate sanitary conditions. Water was not provided to the workers, who had to buy it on the ground floor. Fire drills and emergency lighting were non-existent and fire extinguishers were either completely absent or out of use.

Contrary to the code, the workers were not provided with their own storage space for their clothes and personal belongings, which they had to hang over their beds.
Generally, no fans were installed, even in the 16-bed double bunk dormitories on the upper floor of one building, where temperatures soared in summer. As hot water and showers were in some places not available; workers had to go to the public baths to get a shower, at a cost of RMB 5. Under these pressures to adopt the code supported by the European Corporation, the management showed us a very sophisticated dormitory plan, which was drawn by a construction and design company based on the code’s requirements.

The dormitory looked like a hostel building, with a big hall on the ground floor, corridors on each upper floors and very neat living rooms. The facilities manager who was responsible for managing accommodation and food provisions said, once the dormitory building was constructed, every room would only house 4-6 workers, providing an individual bed, lighting, storage space, and a shared kitchen, toilet, bathroom, fans, hot water facilities and even telephone services. A library, a clinic and a recreational common room would be placed on the ground floor for all workers to use. With these accommodation facilities, the company expected to benefit by retaining a better quality workforce with more experience and skills for a longer period. The average of length of tenure in China Silver Garments was two years. Keeping a more stable and disciplined workforce was at the top of the management’s agenda. This aim of labour retention was somewhat contradictory given the 22-24 years age profile of the workforce, and the relatively low wages reinforced by migrant labour circulation. ‘Longer-term’ attachment was therefore only for a few additional years and the migrant composition of labour was not expected to change. The additional welfare benefits within the factory compound was, as noted earlier, there to serve to confine labour on a daily basis to better serve the needs of production and demands of the product market.

Controlling the social, non-working lives of workers was envisioned as being possible through a modern dormitory. “More supervisions and inspections can be enforced in the new dormitory building, and women workers can be better protected”, explained the facilities manager. Continuing, “male workers won’t be able to wander around in the streets at midnight, and smoking can be more effectively kept under control”. Self-management of dormitory room was also anticipated in that the workers would learn how to discipline themselves and maintain their living conditions properly. A modern dormitory regime with better living conditions thus meant a subtler regime of surveillance, along Foucauldian lines (Foucault, 1977; McKinlay and Starkey, 1998). In materialist terms, the larger the investment management was prepared to make in the dormitory, the more they wanted to control it. Cleaner living place, more private and individualized space, and better-ventilated room would be expected. But the price for these improved living conditions was a modern control system, in which the workers
had to surrender their freedom of movement to the enhanced disciplinary power of management over their non-working lives.

**Freedom of Movement**

In terms of freedom of movement, the workers of China Silver Garments seemed to enjoy a lot more when compared to China Golden Garments or other companies in China (Chan, 2001). The company provided a contract for every worker who had passed the probation period, the latter varying in length from a few days up to 1 or 2 months. The company did not keep the identity cards of workers (only photocopies), nor debts, a widespread practice considered essential for constraining workers’ mobility power. The management was proud again that they did not adopt these “inhuman” practices. However, a system of deposits was adopted, by which each worker had to deposit a total amount of RMB 120 for tools, locker key, employee’s identity electronic card and dormitory when applicable.

The new company compound was walled as usual like other companies in China with security guards stationed at the entrance gate. Other guards were also present in the dormitory building, but workers were free to go in and out as they pleased. Stealing was severe in the dormitory building, which justified more patrolling and watching. The dormitory building’s gate was closed at 12 o’clock at night unless a management order was received from above because of overtime work after midnight.

Most workers were paid on a piece rate basis and were paid cash monthly, with an average of wage of RMB 600-700 inclusive of overtime work. Working hours per day averaged 10, with six working days except when production was pressed to meet rush orders, thus a rest day on Sunday would be cancelled. More regular working hours in China Silver Garments were observed. The normal working hours at China Silver Garments were 8:00 am – 5:00 pm (with lunch break, 11:30 am – 12:30 pm and 5-6:00 p.m. dinner break) and 6:00 p.m. – 8:00 pm overtime. The supervisors, technical, managerial and office staff were paid on monthly rates, with a higher average at 800-1500 RMB. For the production workers, the wages were however not paid for the current month, but for the previous month. Workers were thus always one month behind in terms of the payment of wages.

Fines were widely used for control purposes. Two different systems of salary deductions for disciplinary reasons were in place: one concerned production workers, and fines ranged from RMB 1 to RMB 5, and the other concerned supervisory and managerial staff. In the latter case, fines ranged from RMB 5 to RMB 55. Absence from work or late arrival were considered “penalties” and led to deductions from the monthly wages. For line supervisors, a quite complex system of “rewards”, called “5 S”,
amounting actually to a system of salary deductions for disciplinary measures, was applied. The management also planned to replace the system of fines for disciplinary reasons by a more positive system of rewards programme.

In short, to meet the international standards and as required by the European Corporation’s code, the management’s strategy was to upgrade dormitories as a matter of priority. Moreover, creating a reward system to replace the system of fines was also seen as a must to demonstrate its modern nature of the company. A modern dormitory labour regime was thus imagined by the Managing Director to live up to the age of globalizing production in a transnational context. This represents one of the most common strategies of capital with regard to the dormitory labour regime is to accept the rationalisation logic of transnational capital by embracing codes of conduct and international quality marks in order to access global markets.

**Conclusion: Dormitory Labour Regime and Labour Process Theory**

Relating this labour regime to labour process theory, we could say that the dormitory labour regime represents:

1. Absolute lengthening of the working day – a return to absolute not relative surplus value production.
2. Easy access to labour power during the working day – a just-in-time labour system for just-in-time production for quick delivery order and distribution systems.
3. Daily labour reproduction - control of the reproduction of labour power in the factory (accommodation, food, travel, social and leisure pursuits within the production unit).
4. Compression of working life – 10 years in 5, due to excessive working week and primary utilization of young workers in production.
5. Direct control over the labour process – limited formal consensual controls over the effort bargain, rather a system of labour discipline such as fines over effort bargaining.
6. State and non-market interventions - external and internal state actions in the labour process through control over labour mobility.
7. Collective bargaining power- the high circulation of labour creates difficulty for labour organizing compared to situations in which labour concentrates within definite social spaces. Constant circulation acts like high labour turnover, the unremitting dispatching of labour leadership, and thus favors the employer, as it removes the discontented and more vociferous workers from the workplace.
The *dormitory labour regime* may not travel beyond China, and hence be a production regime specific to a spatiality of global production, national legacies, and local reconfiguration. Historically, Korea and Japan both used dormitories, but not as extensively as in China. Current provision in these countries is sector-limited, and with the growth of private and public housing, company-dormitories have to be of a comparable standard to function as a labour retention or reward technique. The movement up the value chain in China has not seen the emergence of independent worker housing, but the reinforcing of dormitories, albeit upgraded through the firm. The housing market in the manufacturing towns of the coastal areas in China has not appeared for the purpose of migrant labour, but rather foreign-managers, Hong Kong residents or local cadres enriched through converting land into industrial use. It currently appears that the economic effects of dormitories on wages appear to reinforce their utility, and independent housing is not appearing separate from the enterprise. There is a need for more systematic research into this feature of the dormitory system as a form of transnational labour process, which we are currently undertaking.\(^8\) We can see from our two case studies that there is variability in the use of dorms, and one would predict the developing of hierarchical provision to capture and retain skilled workers beyond those found in the local labour market. This witnesses the making of a new spatial political economy of labour regime, and hence a novel form of transnational labour process in China.
1 Other production systems might have provided accommodation or certain forms of housing to labour in certain periods. But as an extensive and systemic form, the dormitory labour regime in China is a remarkably dominant form that deserves further distinction and studies.

2 Structurally, the *dormitory labour system* needs young blood, and spatially separates home (family) and work. But through worker-controlled (or at least influenced) networks, families are reconstituted within the same space or locality. Therefore, as with the issue of mobility, the *dormitory labour system* is contradictory in facilitating and controlling mobility, so too with families, it separates old and young, parents and children, but via workers controlled recruitment network families are reconstituted.

3 The material presented was gathered through two different processes. Both cases are from the clothing or garments sector, which has expanded dramatically in the reform period, representing the major part of the labour-intensive export sectors, and 12 per cent of China’s GDP. The first case, China Golden Garments, in Dongguan was frequently visited during summer 2002 and winter 2003, and interviews were conducted with the Managing Director and supervisors, and conversations with production workers as well as supervisors in the dormitories. The second case, China Silver Garments, in Changzhou was studied over two weeks during Easter and Christmas 2002, with group interviews with workers and individual interviews with management. Documentation on labour management policies and plans for the development of the firm were also examined. In both cases, all parts of the production process were directly observed, as were the dormitories for male and female workers, and supervisors.

4 The non-transparent costing of dormitories is a major problem for workers, who have no way of calculating what a monthly charge should be. It might be harder for the workers to complain about the poor quality of the provision if it is notionally free.

5 In 2002 China Silver Garments was required to sign the European Corporation’s code, which is a statement about the ethical standards that a transnational company claims to uphold, and implement in its production suppliers or trade partners. The principles of the corporate code are measured against the ILO Conventions; in particular those concerning the respect of human rights at work. Key clauses include seven major areas: no forced or bonded labour; no child labour; no discrimination in employment; living wages and benefits; normal working hours; no hazards to safety and health; and decent working environment.

6 A monthly housing allowance of RMB 30 was provided to those migrant workers who had to find accommodation for themselves. Around 50% of the workers received this allowance.

7 The 5S stood for the Chinese words meaning: orderliness; “fixing” of machines and equipment; cleaning things and putting away tools etc; ensuring adequate workplace environment (i.e. floors) and family-like behaviour with workers.

References


