

Labor Conditions and Indigenous NGOs in the Pearl River Delta

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The Pearl River Delta (PRD) has experienced rapid industrialization and population growth in recent years. Much of this rapid growth is built on the backs of millions of rural migrant workers who leave their home communities to work in PRD factories. Researchers estimate that ninety-five percent of the labor force in the PRD comes from migrant workers, among whom over sixty percent are women.¹ Pun Ngai of the Chinese Working Women Network (CWWN) estimated that “more than ninety percent of the total labor force in Shenzhen in light manufacturing were young, female and under twenty-five.”² These women leave their home communities searching for a better way of life, and in fact, they can earn more income in the PRD than at home. However, they also encounter incredible obstacles and disadvantages as migrants in the new economic zones.

In the summer of 2005, supported by a grant from the Fulbright-Hays Study Abroad Program and administered through ASIANetwork and the Hong Kong American Center, a group of sixteen college professors selected from institutions across the United States participated in a study tour to the economic zones of South China. We visited more than ten relevant sites in the area. For example, one factory, China Circuit Technology Corporation (CCTC) in Shantou, represented a modern, up-to-date factory. It is a state-owned enterprise and employs mostly men who are well-trained and work in a clean and safe environment. We were told that CCTC workers have contracts that provide good benefits and have low turn-over rates.

Shoe Factory Conditions

We also visited the Wang Family shoe factory in Dongguang. This is a family firm

run by three brothers. Although we were told that all workers have contracts, in fact, migrants themselves often disagreed. Over sixty percent of the workers in the factory are young women. Many receive low wages, and work up to twelve hours per day, six or seven days per week. We learned that room and meals are paid by the factory, but the work is piece-meal. Workers “usually” work five days a week, but when we visited, it was “peak” season, so workers were working six days a week. They make, on average, 500 Yuan (\$50) a month. Shoe factories are notorious in the PRD because of poor working conditions. Staffed mostly by migrant laborers, they work for long hours, in hot and stifling

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The Wang Family factory started as a village shop during the early years of the

open-door policy (in the early to mid 1980s). By 1999 production began to shift to the international market. Currently the company exports shoes to North America and Europe because it enjoys a tariff advantage by shipping overseas. The Wang Family makes about 16,000,000 yuan a year from its factory, but is now shifting its business to the “hot” real estate sector because it is more profitable. Thus, factory conditions have become irrelevant to their future business prospects.

According to Dr. Liu Kaiming, Executive Director of the Institute for Contemporary Observation (ICO) now based in Shenzhen, approximately sixty percent of migrant workers have no labor contracts. Even if contracts are provided, migrant laborers with only elementary or middle school education are unable to negotiate favorable terms. As an example, although laws in China guarantee women workers maternity leave, migrant workers are frequently fired if they become pregnant, or employers may simply refuse to provide this benefit. Dr. Liu documents a number of cases where worker contracts specified that they would be charged a minimal fee to cover death and disability insurance, but workers learned, in fact, that although this money was collected, no funds were ever dispersed. Injured workers received no money or compensation for their disabilities.³

Worker Classifications

In many PRD locations workers are classified as either locals, resident migrants, or non-resident migrants. In Shenzhen, locals were defined as those workers who are original Shenzhen residents; they have acquired Shenzhen urban *hukou* residences and can receive

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available social welfare benefits. Most local residents (perhaps originally peasants themselves) now work as restaurant owners, shop keepers, managers, landlords or security staff and for higher wages than do migrants. They also are likely to receive substantial monthly governmental support.

In Xiamen, we had a chance to meet with Ye Wende (former Party Chairman of Lin Village⁴) and found that privileges accrued to “locals” there as well. According to Ye, locals no longer participate in hard work because they receive village stipends, averaging around 9000 yuan (\$1068) per month. Local residents may accept the influx of resident migrants as being necessary for economic development, but they usually disparage them as backward outsiders.

Resident migrants are those workers who come from outside the area but are able to transfer their *hukou* status to the new community. Often these workers have high educational degrees, well-paid jobs and can purchase their own housing. Many are employed in the financial, managerial, educational, research development, and technical sectors. Most of the skilled workers at CCTC (China Circuit Technology Corporation) are resident migrants. Of the twelve million or so living in the city, only three-hundred thousand are residents and around two million are resident migrants.

The rest, almost eleven million, are non-resident migrants. Non-resident migrants tend to enter from rural areas in neighboring provinces to work in local factories. Often referred to as the “floating population,” migrants live five or six together in a single-room, with only one or two toilets per floor. They pay around thirty yuan (\$3.50) a month for rent in addition to water and electricity costs. They earn between five to eight hundred yuan (\$53-100) a month.

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Cooking can be done on a portable burner, but most migrants eat at the local factory canteen for a fee, or at an outside dining location. The urban *hukou* residence system and its tangible benefits such as education, social security, worker compensation, and health care are not available to non-resident migrant workers in the Pearl River Delta.

Government Inaction and NGOs

Although many PRD provincial and local government officials welcome the huge influx of workers because of the continued need for a steady, cheap labor force to maintain the region’s economic growth, they are slow to respond to the labor concerns and social service needs of migrant workers. They recognize the problems, but they have yet to develop sustainable solutions. This creates the fertile soil for the growth of indigenous NGOs.

From 1949 to the open door era (c. 1978) because China functioned as a state planned society, NGOs could not exist. Economic decisions, social welfare, education, and health care were all under the auspices of the state. According to the Interim Provision on the Registration of Social Organization of 1950, social organizations permitted by law fell into the following categories: mass organizations such as the Trade Union, the Women’s Federation or the Youth League; public service groups such as the Red Cross, and art and literature groups; academic groups such as the Medicine Association, and religious organizations such as the Three Self Movement.⁵ During the Cultural Revolution years (1966-76) many organizations were closed down although a few noted ones (e.g., Women’s Federation) remained.

At least four areas of change have allowed a space for indigenous NGOs that are concomitant with the economic reforms and the open-door policy to develop. The first is the movement away from the *danwei* work

unit, as many former state-owned enterprises have been privatized and foreign firms or joint-venture firms have been established. Many of the benefits associated with the *danwei* and *hukou* have disappeared or have been minimized. Second, as China becomes more connected to the global world, it is moving toward a society based on “rule of law” rather than by “rule of connection.” Currently, China embraces “rule of law” unevenly since corruption and inefficiency are still far too prevalent, but clearly, there is a shift in emphasis to this direction. Third, an educated middle class is emerging. A rising middle class increases the number of activists who can create new methods to accomplish social change outside governmental institutions. They are developing the necessary outside resources to have a greater impact in policy decision making. Even so, this development is still tentative.

Identifying NGOs in China is not easy. They might be registered as “people’s organizations,” non-profit organizations, foundations, educational institutions or economic corporations. Or, they might not be registered at all. And there is a special type, a ‘quasi-governmental non-governmental’ organization (known as GONGO) that is not required to register with authorities. Estimations vary widely but as many as 100,000 to over 2,000,000 NGOs could possibly exist.⁶

Probably the best-known of the many indigenous NGOs is the Institute for Contemporary Observation (ICO), founded in 2001 by Dr. Liu. In June of that year, ICO received its first funding from Oxfam Hong Kong, and since then, it has received monies from the Ford Foundation, Winrock International, University of California-Berkeley, and Oslo University, among others.⁷ Much of the work its staff has completed has been in the area of investigative reports, labor negotiation, and migrant training.

Liu Kaiming has indicated that there has been suspicion about what ICO is doing, and he feels that he has clearly been under observation by officials. However, much of ICO’s work is beneficial to governmental needs, particularly its training workshops on corporate responsibility and its Migrant Workers Community College. Therefore, government officials tolerate some of the

other ICO activities that have been critical of labor management practices. Because Liu Kaiming is a charismatic activist who has made many friends internationally, at a variety of levels in industry, and to a lesser degree in governmental circles, he feels that he is able to successfully bring about change with few personally detrimental consequences. He admits that he is self-taught in the world of NGO fundraising and policy-transformation, but he is very good at promotion. He produces copious quantities of research reports, newsletters, and flyers. As of this writing, he was in the process of organizing an international conference on corporate social responsibility in October of 2006.

There are other NGOs that have been emerging in the PRD area, according to Jim Turner, head of the Economic and Political Section of the U.S. Consulate in Guangzhou. Some that he has worked with include the Female Migrant Worker's Training Project in the Pearl River Delta, the Migrant Workers Document Center in Panyu, China/Hong Kong BSR

International, the Disabled Peoples' Service Center and the Chinese Working Women's Network in Shenzhen. Since 2001 the emergence of NGOs in the PRD, although experimental, seemingly has experienced a measure of success and continues to grow.

Is this just a brief flowering of non-governmental organizations? Or are we seeing a growing acceptance and flexibility emerging among the political and civil institutions that allows for innovative, non-governmental programs to "step in" and begin to remedy some of the real social welfare concerns facing a rising tide of low-wage migrants workers in the rapidly developing Pearl River Delta? Although it is still difficult to predict the future of NGOs in China, both international pressures and the growing strength of indigenous NGOs continue to test the limits of activism and gather new momentum in playing a larger social role to alleviate the needs of marginalized and vulnerable migrant workers.

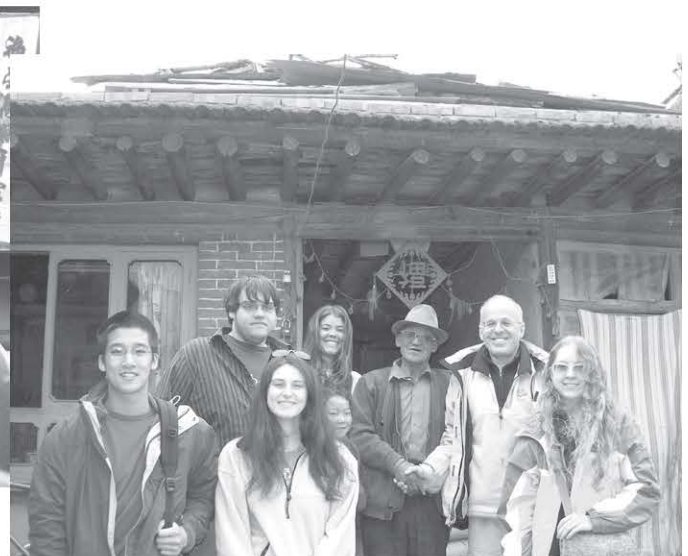
Endnotes

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- ⁶"Chinese NGO's — Carving a Niche Within Constraints: A January 2003 Report from Embassy Beijing" retrieved 3/13/2006 from <http://www.usembassy-china.org.cn/sandt/ptr/ngos-prt.htm>.
- ⁷Institute of Contemporary Observation. <http://www.ico-china.org>

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