

Disciplinary labor regimes in Chinese factories

Anita Chan & Zhu Xiaoyang

To cite this article: Anita Chan & Zhu Xiaoyang (2003) Disciplinary labor regimes in Chinese factories, *Critical Asian Studies*, 35:4, 559-584, DOI: [10.1080/1467271032000147032](https://doi.org/10.1080/1467271032000147032)

To link to this article: <https://doi.org/10.1080/1467271032000147032>



Published online: 04 Jun 2010.



Submit your article to this journal [↗](#)



Article views: 417



View related articles [↗](#)



Citing articles: 12 View citing articles [↗](#)

DISCIPLINARY LABOR REGIMES IN CHINESE FACTORIES

Anita Chan and Zhu Xiaoyang

ABSTRACT: Using a survey the authors initiated in fifty-four footwear factories in China, this article investigates the extent to which Chinese workers today are subjected to coercive workplace discipline. The authors compare the management practices of state-owned and collective factories, private factories owned by mainland Chinese, and those owned by investors from Hong Kong and Taiwan. The survey selects five indicators of a disciplinary labor regime: corporal punishment, compulsory overtime, discipline vis-à-vis bodily functions (such as toilet-going restrictions), imposition of monetary penalties, and bonding of labor through mandatory deposits.

Introduction

The rapid economic development of Asian countries over the past few decades has stimulated a vast amount of writing that tries to explain this phenomenon.¹ The latest of the Asian miracle economies is the People's Republic of China (PRC), with a consistent annual growth rate of between 7 percent and 12 percent over the past two decades. Part of this growth has resulted from foreign direct investment from Hong Kong and Taiwan, which together account for more than half of all foreign investment inflows. These increased economic linkages have helped create a new regional economic grouping that has been dubbed Greater China, comprising China, Hong Kong, and Taiwan.

Some scholars posit that in all three economies, Chinese capitalism has flourished due to Confucian ethics.² This culturalist school often sees Confucianism as embodied in an array of positive, or at least functionally useful, values for business success — *guanxi* (personal connections), familism, paternalism, loyalty, hierarchical relations, obedience, diligence, entrepreneurship, thriftiness, and so on.

There have been many critics of the Confucian culturalist argument. Some directly attack the academic writings that expound the success of Chinese transnationalist capitalism in Asia as based upon a reified cultural explanation.³ Others see the official propagation of “Confucian values” as political manipulation by authoritarian Asian governments.⁴ Yet others, such as Arif Dirlik, are critical of capitalism as a hegemonic evil and by extension are critical of Chinese capitalism altogether.⁵

The largest body of critical writings is by a group of scholars in women’s studies. Their publications are grounded in empirical research exposing the exploitation of Asian women on the production line, in the family, and in patriarchal societies at large. Their critical analyses of all forms of shop-floor domination over workers presupposes that factory managements engage in gendered politics — through managers’ manipulation of feminine symbols⁶ and through the creation of gendered hierarchies.⁷ They write of maiden workers as opposed to matron workers,⁸ of sexual symbols and language,⁹ of management’s clever use of parental authority¹⁰ and ethnicity (playing upon workers’ different places of origin).¹¹ Aihwa Ong’s analysis tends to be class-oriented, but other writers normally allow gender domination to override class domination. As a whole, this women’s studies perspective explicitly criticizes¹² or implicitly subverts¹³ the ahistorical, uncontextualized Confucian cultural explanation. Their writings often invoke Foucauldian expressions to frame their arguments — but we have yet to come across any detailed empirical descriptions and analyses of physical punishment, one of the main mechanisms described in Foucault’s *Discipline and Punish*.¹⁴

We subscribe in part to the critical position of these scholars. This article similarly is a critique of mainstream culturalist thought, but it departs from the approach of women’s studies in that our perspective and analysis take both men’s and women’s situations into account. We take exploitation at the workplace as an exploitation that includes both genders.

The overarching image that Confucian culture is harmonious and that business relationships are based on *guanxi* and not on confrontation extends to a general image that Chinese management-labor relations are characterized by paternalism, that management takes care of its workers, provides for them, and nourishes them.¹⁵ We examine whether there is any validity to this supposition in the factories in China today that are owned and operated by Taiwanese, Hong Kong, and PRC firms. Our empirical evidence is based on survey data regarding management-labor relations in China’s footwear industry, and we present evidence showing that as capitalism has revived in China, management practices have become heavily reliant on the use of institutionalized coercive discipline. In establishing quantitative indices for the use of discipline, we selected five control measures: length of work hours, restrictions on toilet-going, monetary penalties, the required payment of deposits for employment, and physical punishment. These measures, when applied intensively, serve the function of extracting compliance from the workforce in order to squeeze the highest possible production from workers. These control measures at the workplace, we assert, should become an integral part of any discourse on the nature of Chi-

nese capitalism. Yet most of the writings on the much-heralded economic success of Greater China have ignored this integral part of business practices — how management treats labor. We will show that management practices at workplaces in the PRC are no less authoritarian, disciplinary, and punitive than their counterparts in England in the period of the Industrial Revolution.

Background

Before capitalist practices began to reemerge in China with the economic reforms introduced by Deng Xiaoping in the 1980s, all industrial enterprises were either state owned or collectives. Three types of enterprises in particular have burst onto the scene under the economic reforms: foreign-funded enterprises, private firms, and township and village enterprises (TVEs) that are owned by rural collectives and managed by local officials. The foreign-funded enterprises are either completely owned and managed by foreign investors, or — in the case of a partnership between foreign investors and local Chinese — are managed by either of the two partners. The majority of foreign investment in China is by ethnic Chinese (58 percent in 1999), mostly Hong Kong Chinese, followed by Taiwanese Chinese.¹⁶ Most of these foreign-funded enterprises are located in China's coastal provinces, with the heaviest concentration in Guangdong province, followed by Fujian province. Whereas the number of employees in the urban state and collective sectors decreased from 145 million to 89 million between 1992 and 2001, employment in the nonpublic sector increased from 33 million to 150 million in the same period,¹⁷ due to a rapid expansion in the number of TVEs, shareholding enterprises, private firms, and foreign-funded enterprises and also because of changes of ownership from state and collective to other forms of ownership.

In the 1980s the employment systems of these two sectors were very different. The state sector, still under the “socialist” legacy, continued to provide lifetime employment, housing, medical care, and pensions. In contradistinction, the nonstate sector was — and still is — marked by flexibility of labor, meaning a lack of job security, casual employment, a lack of fringe benefits, piece-rate wages, etc. Many of these workers are migrants from the rural areas. It was in these non-state factories, particularly in the firms funded by overseas Chinese, that reports of harsh labor regimes first began to surface in the late eighties — and with increasing frequency and seriousness during the past decade and a half.¹⁸

We have visited a number of such enterprises in China in our annual field research. On the factory walls of most of the factories managed by overseas Chinese and in many private enterprises, there are long lists of the regulations that control the workers' behavior and physical actions. Most of these regulations specify penalties — for not wearing an identity card, for not putting on a uniform the right way, for wearing the wrong shoes, for spitting or being untidy, for talking while working, for not turning off lights, for drinking water during work hours, for going to the toilet for a total of more than fifteen minutes a day, for being late, and so on. In some cases, violation of a regulation can result in half a day's to several days' wages being docked.¹⁹ In large factories the control is

more regularized and systematic. It is not unusual to distribute to workers employee handbooks that contain up to a hundred rules for both the shop floor and worker dormitories. These are tantamount to a list of disciplinary measures that threaten workers with fines and other penalties.

Under pressure from the increasing competition of the non-state sector, even the employment system in the state and collective sectors is rapidly “leveling down,” with erosion of job security and welfare provisions and the imposition of strict labor conditions on the shop floor. To cut costs, China’s state and urban collective enterprises have also been laying off workers and in some cases have been replacing them with migrant workers from the countryside to take up positions that require little skill, performing the same job at less pay, no benefits, and no security.²⁰

Survey Design and Methodology

Our survey aimed (1) to determine the extent of coercive labor regimes in Chinese enterprises; (2) to examine the extent to which the type of ownership is a determining factor; and (3) to identify the other factors that affect variations in factory regimes. Although a number of excellent studies of workers in individual factories have been published,²¹ ours is the first published attempt involving a foreign-based social scientist to chart labor conditions in a variety of Chinese factories through a survey, and it is the first attempt, too, to compare the use of disciplinary measures.

Since different industries use different types of production processes that entail different types of everyday labor-management interactions, we controlled this variation by surveying the production of only one product — footwear. We chose this industry because a large array of factories in it operate under various types of ownership. Its export component is dominated by Taiwanese capital as well as capital from Hong Kong, which will enable us to observe whether the management styles of overseas Chinese and PRC Chinese are similar or different.

In 1996 we conducted a survey in fifty-four footwear factories spread across five cities in China: Tianjin, Shanghai, Putian in Fujian Province, Dongguan in Guangdong Province, and Chongqing. This geographical spread provides a good overall picture of the industry. Tianjin and Shanghai during the Maoist era were important cities for footwear production where large state enterprises manufactured nationally famous shoes. Putian and Dongguan have become well known in China within the last decade as China’s new “shoe cities” that produce for export — Putian for its high concentration of Taiwanese-invested footwear factories and Dongguan for receiving large investments from Taiwan and Hong Kong. Chongqing was chosen because it is an inland city where state enterprises are known to face grave financial troubles and a high level of layoffs. Here private factories have mushroomed, producing cheap products that have inundated the domestic market.

At the time of the survey the footwear industry was undergoing rapid change and experiencing intense competition. During the previous era of a planned economy the industry had been under the charge of the Leather Goods Bureau, one of the departments under the Ministry of Light Industries. In 1988 the bu-



Workers from the Yue Yuan company, with metal rice bowls in hand, make their way to the factory gate to punch their time cards for the evening shift. This company in Dongguan, southern China, employs about forty thousand workers to make brand-name sneakers, including the Nike, Adidas, and Reebok brands. (All photos courtesy of Anita Chan)

reau was removed from the ministry and its name was changed to the China Leather Goods Industry Association. It retained only a few staff members, no longer has a state footwear production plan to implement, and has no enterprises under its charge. Its new function is to coordinate and serve its membership, which it has to recruit itself. Its members therefore are only state-owned and large collective enterprises. This means that the thousands of new non-public footwear factories that have sprung up in the past decade throughout China have no relationship with the association. In other words, the industry has become completely decentralized, to the extent that the officials of the association confessed to us that they do not even have the means to collect figures on the number of footwear factories in the country, since enterprise registration is decentralized geographically and bureaucratically. Decentralization leads to deregulation of employment relations.

Most of the state and urban collective factories we visited in the pilot study and in the survey were under intense competitive pressure from the new non-state enterprises. One famous large collective enterprise in Beijing had survived by turning each of its ten floors into separate joint ventures, with injections of Hong Kong and Taiwanese capital of various proportions. But all of these joint ventures except for one remain under PRC management.²² Many other state and collective footwear enterprises were beginning to lay off workers and operated only intermittently. Those that could not compete at all had to close down; and some of their technical staff and workers struck out on their own and set up tiny shoe factories themselves.

The export sector is mainly composed of Taiwanese and Korean firms that began relocating to China en masse in the late eighties. The firms usually send experienced and trusted managers to China to directly manage the factories.²³

Prior to our survey, a team of five collaborators, including one of the coauthors, Anita Chan, undertook a pilot survey in 1995 of more than twenty footwear factories in Beijing and Shanghai. The questionnaires were then refined. During the subsequent main survey, branches of Government Bureaucracy Y in the five cities helped the research team to gain entry to factories.²⁴ At each factory three types of questionnaires were distributed: one for the factory manager, one for the trade union chair, and one for the workers. Our survey team went to the factories during working hours accompanied by a staff member from the Bureaucracy Y branch. The manager and the trade union chair were given questionnaires to fill in on their own, while workers were assembled in a separate room to fill in theirs. It was hoped that workers would be drawn randomly from the factory's list of blue-collar employees, with at least one worker from each of the ten main shoe-making tasks on the production line. But factory managements preferred to call in workers whose absence for an hour would least disrupt production. The production-line workers filled in the forms in the presence of our survey team and were encouraged to ask questions if they encountered difficulties. These questionnaires were directly collected by our survey team before the respondents left the room.

Survey Data and Variables

Of the 54 factories for which we collected data, 10 were in Tianjin, 11 in Shanghai, 13 in Putian, 7 in Dongguan, and 13 in Chongqing (Table 1). The use of three types of questionnaires allowed us to cross-check information about the enterprises. Questionnaires were filled in by 47 factory managers (including 7 foreigners), 37 workplace trade union chairs,²⁵ and 1,531 employees, among whom 1,004 (65.5 percent) were production-line workers and 477 (31 percent)

Table 1: Distribution of factories in five cities by de facto ownership/management

	Tianjin	Shanghai	Putian	Dongguan	Chongqing	Total
State-owned and collectively-owned enterprises (SOE)	1	3	1	0	4	9
Township and village enterprises (TVEs)	1	1	1	0	0	3
Privately-owned enterprises (POE)	2	2	2	0	7	13
Joint venture/ PRC managers (PRC)	6	4	4	4	2	20
Joint venture/ foreign managers (FORN)	0	1	5	3	0	9
Total	10	11	13	7	13	54

Note: Total includes seven factories without managers' data.

were non-production-line workers and office staff.²⁶ Of these 1,531 employees, 1,009 (65.8 percent) were female and 522 (34.2 percent) were male.

Independent Variables

In investigating the strictness of the labor regimes in the factories and how they affected different types of employees, we examined the significance of four variables at the factory level — ownership/management type, factory size, level of export orientation, and the existence of a trade union. At the individual level, we examined the differences in strictness of the labor control in terms of three independent variables related to workers' characteristics — type of work (i.e., production-line workers vs. other employees), gender, and residential status (migrant vs. non-migrant).

Enterprise Characteristics — Factory Level

De Facto Ownership/Management Type

Initially, the questionnaires were designed to coincide with the government's categorization of registered enterprise ownership: that is, state-owned enterprises, collectively owned urban enterprises, collectively owned rural TVEs, privately owned enterprises, and joint ventures (often with foreign firms). We had thought this categorization would adequately identify differences in industrial relations among the various types of Chinese enterprises. However, as we were conducting the survey, we discovered that categorization of enterprises by registered ownership does not always reflect reality. Factors that needed to be taken into account include these:

- Quite a number of enterprises registered as rural collectives are actually privately owned.
- Some registered joint ventures are only joint ventures in name but are actually managed by mainland Chinese managers with little foreign investment and little foreign-partner participation in management.²⁷
- Some other joint ventures are completely under foreign management and control, with almost no participation by Chinese managers.
- Quite a number of joint ventures that were registered as having Hong Kong partners are actually Taiwanese.²⁸ In order to bypass the need for approval by the Taiwan government, many Taiwanese investors have registered as Hong Kong companies.
- Very often what are registered as Western joint ventures or as non-Overseas Chinese foreign-funded enterprises are owned and managed by ethnic Chinese. In the survey sample, the foreign investors of all three of the American joint ventures, one Thai joint venture, and one Vietnamese joint venture are all ethnically Chinese. So far as we know, no one has systematically taken this type of phenomenon into account in studies of foreign investment in China.

We therefore allocated the surveyed factories under categories based on their de facto ownership rather than their registered ownership. We also divided joint ventures into two different types based on whether the manager was a Chinese national or a foreigner. But because in our sample all foreign joint ventures

were managed by overseas Chinese, “foreign” here really means “overseas Chinese.”²⁹ Statistically this approximates the overall picture of China’s footwear industry, inasmuch as the great majority of the foreign joint ventures in China that produce for the export market are Taiwanese-owned firms. By the end of the 1980s Taiwan had become the world’s major exporter of shoes, particularly sneakers, and by the mid-1990s most of Taiwan’s footwear companies had relocated offshore to other Asian countries, mainly China.³⁰

Based on our documentary research and prior field observations, in setting up the survey we hypothesized that state and collective enterprises would have more lax labor regimes, a legacy of the Maoist era, and that those managed by overseas Chinese would be the harshest.

Factory Size

Managers were asked to state the number of employees in their factories. In the Maoist period, factory size had a salient effect on work conditions, wages, and benefits.³¹ We hypothesized that the bigger the size, the more likely that management would abide by China’s labor laws, translating into better work conditions and more relaxed labor regimes.

Level of Export Orientation

Managers were asked to state the percentage of their products produced for export. Our hypothesis was that the greater the integration of production with the world capitalist market, the stricter the labor regime would be. In the past decade keen competition in consumer markets in the developed world has led to placement of orders in smaller quantities, constantly changing models, the lowest possible stockpiles, and progressively shortened delivery times for suppliers. This has led to bottlenecks at production sites and consequently a higher work intensity and a rise in demand for large amounts of overtime work by production workers.

Existence of a Trade Union

Under the Maoist system, all state and collective enterprises contained branches of China’s official umbrella trade union, the All China Federation of Trade Unions (ACFTU). These branches were arms of the workplace administration and were assigned to take care of workers’ welfare. These workplace unions continue to exist under the post-Mao enterprise reforms. Their role, however, has been expanded. Under the encouragement of the Chinese government, these official unions now have a right to sign collective contracts with management on behalf of the staff and workers. However, in state enterprises the unions at best serve a mediating role between management and labor and at worst continue to be arms of management.³² In the nonstate sector, most of the enterprises established after the mid 1980s were set up without workplace unions. In more recent years, the Chinese government and the ACFTU launched campaigns to set up union branches in these new enterprises, especially in foreign-funded enterprises. But in reality many of these new workplace unions are under the control of management, to the extent that many workers, especially migrant workers, might not even be aware of their existence at the workplace.³³ Our hypothesis, however, was that the existence of a workplace trade union branch might have at least some effect on a factory’s labor regime.

Workers' Characteristics — Individual Level

Table 2 summarizes the characteristics of the respondents' type of work, gender, residential status, age, and education.

Type of Work

We assumed that the disciplinary treatment differed between production-line workers on the one side and, on the other, non-production-line workers (quality control staff, guards, drivers, cleaners, etc.) and office staff. As production-line workers have to work in synchrony under the mechanical control of the production-line, factory management has a reason to impose greater discipline on these workers. We assumed that workers' activities, motions, and speed of work would prove to be closely supervised and scrutinized so as to keep productivity at the highest possible rate while maintaining quality control.

Non-production-line workers and office staff could be given more personal freedom to work at their own pace.

Gender

Of the 1,531 respondents surveyed, 1,009 were women (66 percent). We tested whether the disciplinary treatment of men and women differed, and whether the general image that women are more mistreated than men would be borne out.

Residence Status

Because of the household registration system that controls freedom of movement between localities, peasants do not have the right to residency in cities and their residential status is equivalent to that of foreign guest workers. Often they are asked to pay a security deposit at the time of employment or their

Table 2: Characteristics of respondents

	Number of respondents	Percent of cases
Gender	1531	
Male	522	34
Female	1009	66
Age	1517*	
Under 20	102	7
20-29	837	55
30-39	354	23
40-49	200	13
50 and over	24	2
Education	1515*	
Primary and illiterate	97	6
Secondary	1302	86
Higher education	116	8
Residential status	1473*	
Non-migrant	1041	71
Migrant	432	29
Type of work	1481*	
Production-line workers	1004	68
Other employees	477	32
Ownership/management type	1531	
State and urban collective	310	20
Rural collective	71	5
Private	183	12
Joint venture/PRC	566	37
Joint venture/overseas Chinese	401	26

Note: *Does not add up to 1531 due to missing data.



The fortified gates and guard tower of a foreign-owned footwear factory in China.

wages are deliberately withheld in the first several weeks of employment, which effectively prevents them from leaving their job unless they are willing to forfeit their money. Increasingly the less-skilled industrial jobs have been taken over by migrants from the poorer parts of the countryside.³⁴ In the foreign-funded enterprises in Guangdong Province, in particular, almost all of the workers on the production lines are migrants. Because of their lack of residential rights in urban areas, they reportedly suffer discrimination and are vulnerable both inside and outside the workplace.³⁵ A worker's residential status is hypothesized to be a predictor of poor work conditions and strict discipline.

Dependent Variables

In the questionnaire for workers we included questions related to physical punishment, payment of monetary penalties, compulsory overtime, payment of a deposit upon starting work and restrictions on toilet-going. These practices, which are widely reported in the Chinese press, violate the Chinese Labor Law.³⁶

Workers' Reported Level of Physical Punishment

Respondents were asked, "If workers violate factory regulations, are they physically punished (*tifa* in Chinese, literally bodily punishment)?" The word *tifa* is generally understood by Chinese to apply to all of the regularized and institutionalized forms of physical punishment that are employed in schools or in the army. It conjures up images of students or army privates being made to stand at attention for long periods as a punishment or being given lashes on different parts of the body, or soldiers being ordered to run laps or do push-ups as forms of discipline. Chinese newspapers and journals regularly carry reports of work-

ers enduring such treatment,³⁷ and almost invariably these publicized cases occur in foreign joint ventures and, to a lesser extent, in the private Chinese firms. The absence of such reports about state and collective enterprises gives the impression that physical punishment is not a feature of working conditions in these two public sectors. Our survey sought to test this assumption.

Physical penalties exist, according to reports by 21.5 percent of workers and staff. In ten out of fifty-one factories, the workers' responses were entirely consistent: in nine of these factories all of the respondents reported no physical punishment; in one factory all noted the use of physical punishment. For the other forty-one factories, the lowest incidence of positive answers was 2.4 percent and the highest was 85.7 percent. A number of reasons account for inconsistent answers from respondents in the same factory. For example, new workers might not be aware of the existence of physical punishments. News of such punishments might spread less easily across sections in large factories than in small factories. Or some respondents might be hesitant to tick off "yes" to a question they considered sensitive. Overall, we will assume it likely that the higher the percentage of positive answers from workers in the same enterprise the more likely there was physical punishment in that enterprise. We hypothesize that the differences in reported levels of physical punishment can be attributed to the seven independent variables listed above both at the factory and individual levels.

We assumed that the variations in the imposition of labor discipline were associated with either the category of factory ownership or an individual worker's

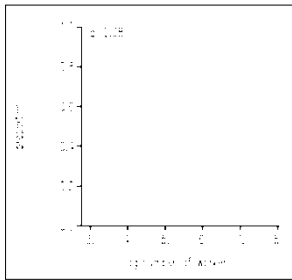


Fig. 1a. Factory size.
Note: the middle line shows the predicted values; the upper and lower lines form the 95 percent confidence interval. This applies to all the figures below.

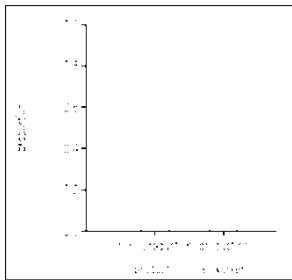


Fig. 1b. Reports of physical punishment.

background, or both. To explore the determinants at the two levels, factory and individual, we carried out a two-staged analysis. The data was run first for the factory level, and then for the individual level. We first aggregated the answers of individual workers in each factory. Then we examined the relationship between the proportions of workers who reported the existence of physical punishment and the independent variables that operated at the factory level by employing a generalized linear model (GLM), as shown in the figures on this page and below.³⁸ The results of these regression analyses reveal that only one of the variables had a significant impact on the reported level of physical punishment: the size of a factory (Figure 1a). The finding is that less physical punishment exists in large footwear factories than in the small factories.

The second stage of our analysis addressed questions related to individual respondents. A generalized linear mixed model (GLMM) analysis was used to examine the relationship between the probability of an individual worker reporting the existence of physical punishment and the independent variables associated with workers.³⁹ The results (Figure 1b)

show that reports of physical punishment are higher for production-line workers than for other employees.⁴⁰ We think this can be attributed to the fact that, first, production-line workers are indeed more likely to be subjected to physical punishment than other employees and so are more likely to report this; and second, staff members are more loyal to management and thus are less often willing to report physical punishment in their factory.

Monetary Penalties

Respondents were asked two questions related to monetary penalties. To the question “If workers violate factory regulations, are they fined?” almost all respondents (96 percent) reported that monetary penalties existed. This kind of disciplinary measure was used in factories of all ownership and management types. To the question “Have you yourself ever been fined by the factory?” 33 percent of the respondents reported they personally had been fined. At the factory level, only ownership/management type had a significant impact on the proportion of workers and employees against whom monetary penalties had been imposed (Figure 2a).

Respondents in joint ventures managed by overseas Chinese had been fined most frequently, followed by indigenous Chinese joint ventures, employees in private Chinese enterprises, and then employees of rural TVEs. Workers in state-owned and collective enterprises had been fined least often. At the individual level, only the gender of respondents had an independent impact on the probability of the imposition of monetary penalties. Men were more likely to be fined than women (Figure 2b).

Toilet-going Restrictions

Respondents were asked, “During work hours, what is your situation regarding toilet-go-

Abbreviations in figures: SOE = state-owned and collectively owned; POE = privately owned; PRC = joint venture/PRC managers; FORN = joint venture/foreign managers.

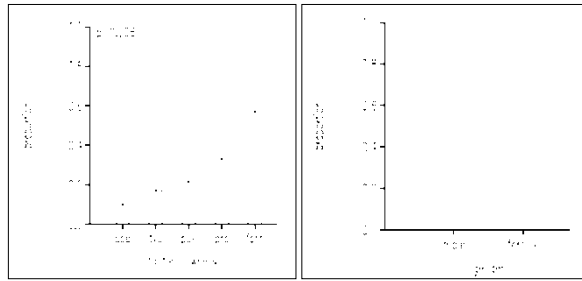


Fig. 2a. Monetary penalties Fig. 2b. Gender breakdown

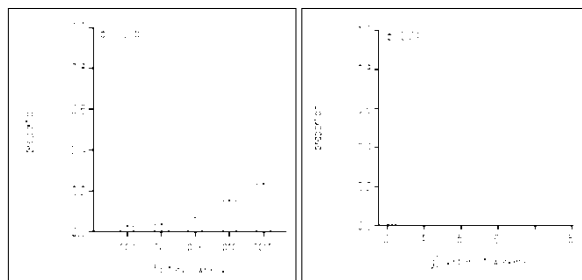


Fig. 3a1. Ownership

Fig. 3a2. Size of factory

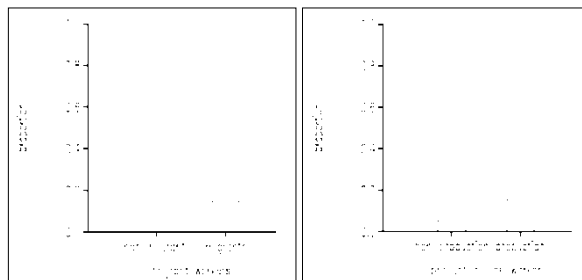


Fig. 3b1. Migrant workers

Fig. 3b2. Line workers

ing?” 73 percent answered that they could go at any time, 16.5 percent answered they needed to get a tag or a pass, 5.9 percent could only go during breaks and 4.5 percent needed oral permission. Ownership/management type and size of factory was found to have a significant effect at the factory level (Figures 3a1, 3a2). Again, the control over toilet-going was most prevalent among joint ventures managed by overseas Chinese, next came Chinese joint ventures, then private Chinese enterprises, then rural TVEs, and lastly state and collective enterprises. Restrictions were also more common in large factories than in small factories. At the individual level, this control over toilet-going was more commonly imposed among migrants and production-line workers than among non-migrants and non-production workers (Figures 3b1, 3b2).

Freedom of Choice in Overtime Work

The question posed to the workers was, “When the factory asks workers to work overtime, do the workers have any choice?” Mandatory overtime was enforced in factories of all ownership types, with 79 percent of workers reporting that they had no choice. At the factory level, ownership/management type, size of factory, and level of export orientation had independent effects on whether choice of overtime work was allowed. In terms of ownership/management categories, private Chinese firms allowed the greatest choice, whereas the joint ventures managed by overseas Chinese were the most restrictive (Figure 4a1). Mandatory overtime work was also more common in factories with high levels of exports (Figure 4a2). At the individual level, only gender was found to have a significant effect. A higher proportion of women were required to do overtime work than men (Figure 4b).

Mandatory Deposits⁴¹

When respondents were asked, “Did you pay a deposit when you entered the factory?” 29 percent answered in the affirmative.

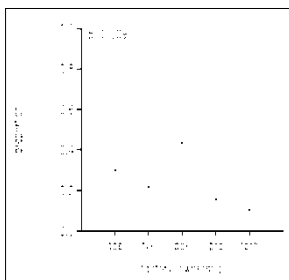


Fig. 4a1. Ownership

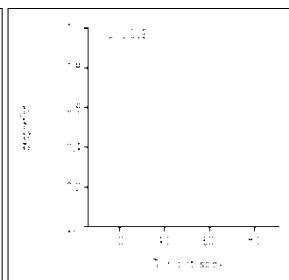


Fig. 4a2. Export sales

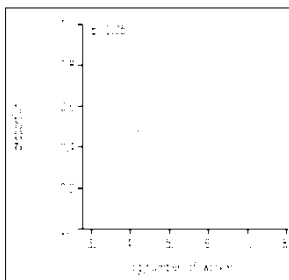


Fig. 4a3. Factory size

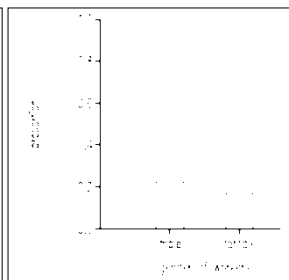


Fig. 4b. Gender breakdown

At the factory level, ownership type unexpectedly was not a significant factor. A small factory was more likely to demand deposits than a big factory (Figure 5a1), and factories with high levels of exports were more likely to demand deposits than those with low levels of exports (Figure 5a2). At the individual level only one variable, gender, had a significant effect on mandatory deposits (Figure 5b): women were more likely to pay deposits than men.

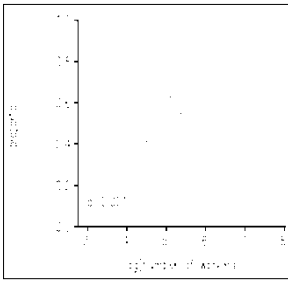


Fig. 5a1. Number of workers

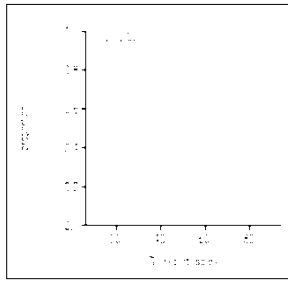


Fig. 5a2. Export sales

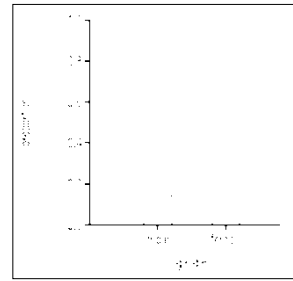


Fig. 5b. Gender breakdown

Summary

Overall, at the factory level, a factory's ownership/management type, size, and the level of exports are associated with the imposition of labor discipline. Joint-venture ownership, particularly in factories managed by overseas Chinese, was the strongest predictor for the imposition of monetary penalties, lack of choice of overtime, and rigid toilet restrictions. State and collective enterprises on the contrary were the least harsh in their management style, with TVEs and private Chinese firms falling between these two extremes. This reflects the general pattern portrayed by documentary research. State and collective enterprises continue to have more relaxed labor regimes, although the fact that there was less imposition of overtime, of course, has much to do with the fact that business has often not been very healthy and suspension of production has been quite common. TVEs and private Chinese footwear firms tend to be community-based (although field visits show that some of them also hire a large number of migrants) and appear to be less harsh in their discipline because of this.

The analysis also shows that size of factory is an important predictor for punishment and labor control. The bigger the factory, the less likely that physical and monetary penalties and the payment of deposits are imposed, but the more likely is tighter control over toilet-going. Based on field observations, small footwear factories of a few dozen workers do not have production lines. Workers labor at their own pace and are paid at a piece rate, whereas larger factories restrict toilet-going so as to avoid any disruption to the production line. On the other hand, smaller factories use measures of control that are not related directly to systematized rules and regulations, such as physical penalties. They also tend to pay less and have poorer work conditions, and so imposing a deposit on workers is one means to prevent workers from quitting. At large factories, management is more concerned to extract higher productivity from the workers by disciplining them on the production line and by making them work long hours.

As noted, too, the higher the level of exports, the more likely the factory will require deposits. Having an export shipment ready on time is extremely important in the export trade, and ensuring a low turnover rate of labor so as to maintain steady and efficient production is a priority of management. Demanding a deposit and then refusing to hand it back if a worker decides to leave is an effective way of keeping workers on the job against their will.

A trade union presence is shown to have no effect on the incidence of penalties and other forms of control. This result is unexpected because it goes against the assumption that workplace trade unions help to ameliorate disciplinary controls. How can one explain this finding? As noted, most private Chinese firms and TVEs do not have workplace unions while those at joint ventures suffer the tendency of so-called “bossification of the union chair” (*gonghui zhuxi laobanbua*), with either the manager or the manager’s wife or a relative becoming the union chair.⁴² State and collective enterprises are the most likely to have workplace unions, which in some industries that are more capital intensive act as a brake against blatant labor abuses by management, and in some circumstances have even carried out collective bargaining with management.⁴³ But in an industry such as footwear the state and collective enterprises, as noted earlier, are under enormous competitive stress to survive, and under these particular conditions the survey strongly suggests that the union impact is minimal.

At the individual level the variations in the imposition of labor discipline were related to workers’ gender, on whether they were production line workers, and on whether they were migrants. Gender is significant in affecting monetary fines, choice of overtime work, and mandatory deposits. Men are more likely to be fined than women, whereas women are more likely to be forced to



“At the individual level the variations in the imposition of labor discipline were related to workers’ gender....Men are more likely to be fined than women, whereas women are more likely to be forced to work overtime and to pay a deposit than men.”

work overtime and to pay a deposit than men. The fact that men are fined more than women can perhaps be explained by the conventional wisdom that women are more docile workers than men, with men more apt to violate factory rules.

Production-line workers report a higher incidence of physical punishment and experience more restrictions in toilet-going than other employees, but there are not significant differences between production-line workers and other employees vis-à-vis other forms of labor discipline and control. Likewise, residence status was found to have no effect on most forms of labor discipline except on toilet restrictions, despite the fact that migrants generally are thought of as being subject to harsher labor regimes. We shall account for these unexpected findings in the conclusion.

Conclusion

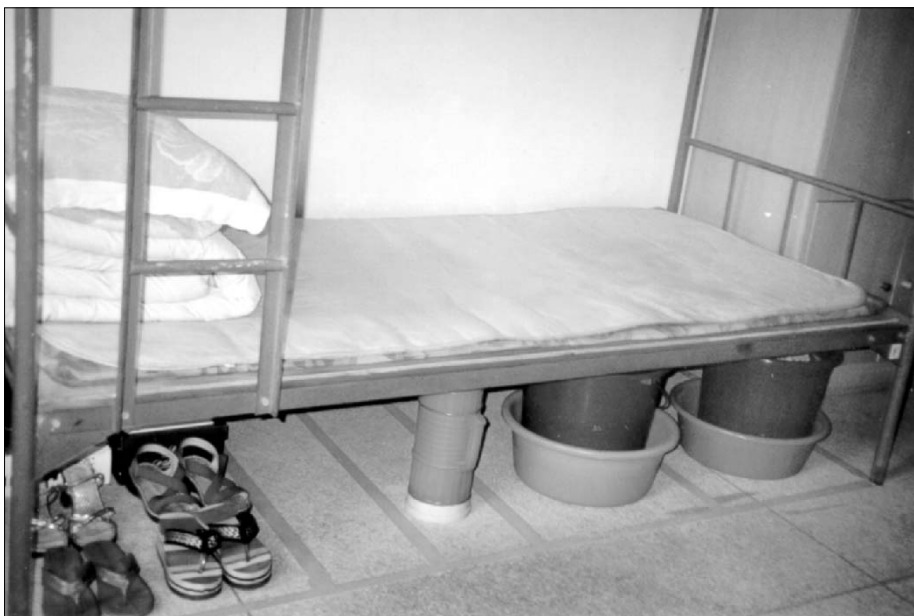
The culturalist school, with its emphasis on Confucian business practices, does not normally focus on management's interactions with labor. In this paper we have presented empirical evidence about management-labor relations in factories located in China managed by ethnic Chinese from various regional origins. We have observed that management practices across the board can be described as authoritarian and disciplinary. Although there are variations in degree among the different types of Chinese, the management regimes of all of them stand contrary to the notion of benignly Confucian management-labor relations.⁴⁴

What lies behind the disciplinary management style revealed in our survey? Note, first, that historically such disciplinary, punitive management practices were prevalent in Europe in the eighteenth and nineteenth centuries. The long working hours, the enforced overtime, and the harsh factory life in China's foot-



Workers live in crowded dormitories that are covered with iron bars.

wear enterprises are reminiscent of the work conditions of nineteenth-century England, as documented by E. P. Thompson in *The Making of the English Working Class*, in Marx and Engel's famous *On Britain*, and in the meticulously detailed reports of factory inspectors and commissioners on wages and work hours that Marx collected.⁴⁵ The controls over bodily movements and functions in Chinese factories parallel Foucault's descriptions of "docile bodies" and of the minute yet precise disciplinary mechanisms used in factories and penitentiaries of eighteenth-century Europe.⁴⁶ The question we need to ask, given these similarities, is how uniquely Chinese is the system we have observed? The disciplinary management methods to extract as much labor as possible from workers are similar to the features cited by the "Confucianist management" school, namely, familism, paternalism, hierarchical relationships, loyalty, and diligence. A few of these attributes happen to "fit" the industrial scene. In our research we observed rigid hierarchical relationships between management and workers, especially in enterprises owned and managed by overseas Chinese; but this was true, too, of nineteenth-century Europe. Chinese workers have exhibited a great degree of diligence and obedience, but these, too, were traits of workplaces during Europe's Industrial Revolution. Given the microenvironment of the Chinese workplace and the macroenvironment created by the household registration system that make the lives of migrant workers much more vulnerable than workers with urban residence rights, this diligence is a direct consequence of a completely lopsided power relationship between managers and workers. The workplace environment is often one of complete domination. It is obvious that this disciplinary diligence cannot be attributed to Confucianism and the innate Chineseness of the Chinese worker.



Lines drawn under dormitory bunk beds regulate storage of workers' personal effects.

The interrelated characteristics of familism and paternalism that are often described as unique to East Asian firms impart a positive image of overseas Chinese managers as caring for their workers and treating them like members of the family. However, as illustrated by our survey, the reality is frequently authoritarian and harshly disciplinary. The overseas Chinese themselves like to pretend otherwise, and a large number of placards, signs, and banners bearing the Chinese characters “take the factory as your home” (*yi chang wei jia*) hang in many of their factories. The so-called “double love” (*shuang'ai*) campaign — workers love their enterprise and the enterprise loves its workers — is similarly tinged with irony. It is quite common, even for those factories that are normally harsh, to give a worker on his or her birthday a special meal, a piece of birthday cake, or a present as a token of a management that cares. These are sanctimonious distortions of reality, as our survey findings make clear. In separate interviews with company executives who were committee members of two Taiwanese business associations in Guangdong and Fujian, we were expected to understand their efforts to “teach” the workers as if they were “children” of poor relatives. This self-image absolves their unease, if any, that they were actually being exploitative and abusively disciplinary on a daily basis. Commenting on a serious case of physical abuse of Chinese workers that was exposed by a Chinese newspaper, the author of an article in a Taiwanese footwear magazine (whose subscribers are mostly Taiwanese footwear factory owners and managers in China) did not even care to dismiss such abuse as an isolated incidence. Instead he defended the necessity of levying deposits and imposing physical penalties on workers:

Actually, these various violations of the Labor Law by the Yixin Footwear Company are very common among foreign-funded investment enterprises in China....Most Taiwanese businessmen are aware that this violates the Labor Law. But if they do not impose this type of rule, workers will quit after working for just a couple of days, and labor turnover will be totally out of control....Many Taiwanese investors in China indicate that they really want to be more humane to Chinese employees but find this unfeasible: “Once you are humane, productivity would immediately drop.... How to increase production efficiency under the combined conditions of passive employees and a stringent Labor Law is not a problem that can be easily solved. Unlawful use of corporal punishment is, of course, not practical, and to skirt around the edges of the Labor Law is also risky. So what can be done?”⁴⁷

Taiwanese investors told us that one of their biggest headaches was the high turnover of workers, which adversely affects production stability and quality. One of the questions in our survey of workers was whether, in hopes of securing increased pay, they would want to leave their present factory for another.⁴⁸ Our survey indicates that the factor that most drives workers to want to leave is their inability to endure the long work hours. The factories that have the longest work hours in our sample are the joint ventures managed by overseas Chinese.

The most unexpected finding from the survey is that the treatment experienced by migrant workers is not much worse than the non-migrants experience in all types of footwear enterprises, after controlling for all factors. It appears

that in a labor market with an oversupply of workers, both migrant and non-migrant workers are in the same boat: at the mercy of management. The impression that non-migrant production-line workers enjoy better treatment derives from the fact that newspapers in China are reluctant to report on the treatment of nonskilled urban state-enterprise workers in industries such as footwear. A detailed study by Zhao Minghua of harsh labor regimes at several large state-owned textile factories in Henan in the mid-nineties documents conditions that were no less harsh than in the overseas-Chinese-owned and managed factories in south China. Since the introduction of the so-called “modern enterprise system,” she reports, work intensity had doubled, forced work hours had been ratcheted up to sixteen hours a day, and “workers have not taken off one single Sunday for five months.”⁴⁹ At some other state enterprises, work conditions comply with China’s Labor Law to a certain extent, and rural migrant workers hired to work alongside urban workers are likely to encounter better conditions on the production line, though unlikely to enjoy the same fringe benefits as the urban workers. In both of these types of factories, the daily working conditions of migrants and unskilled non-migrants on the production line are similar.⁵⁰ Our visits to a dozen state factories in 2002, in industries other than footwear, revealed that a system of monetary penalties is almost universal and that enforced overtime work to fill rush orders is common. The individual contract system — supported by an environment of layoffs and threatened terminations of contracts when these expire — instills a great feeling of job insecurity among the workers, resulting in a subdued and compliant workforce in the state sector.

Our survey findings also touch on the legacy of the socialist ideology and Maoist institutions. Though the Maoist period was marked, overall, by political despotism, a harsh labor regime had not been the hallmark of Chinese socialism.⁵¹ In the state and collective enterprises, this legacy puts a slight brake on the labor regimes becoming too punitive. Notably, too, our survey reveals that labor regimes in footwear joint ventures managed by PRC managers are less harsh today than those managed by overseas Chinese.

There is another factor at work in this difference — and it lies in the life experience of Taiwanese and Korean managers and supervisors. What prompts the head of the Taiwanese Business Association in Dongguan to order his security guards to salute and snap to attention every time he passes through the factory gate?⁵² Not any Confucian beliefs but a hankering for modern army standards of discipline and unquestioning loyalty. We visited a workers’ dormitory at a paper-shredding machine factory in 2002 in Dongguan and felt we were touring a military barracks. Not only was bedding all neatly folded and placed at the same side of all bunk beds, but under the beds thick red lines were drawn on the floor so that workers’ personal effects, wash basins, and vacuum flasks could be arranged in an orderly manner. Not one item touched the lines.

In Taiwan and South Korea, all young men have to undergo military training, and until recently an unusually rigid discipline was instilled by political regimes that considered themselves besieged. It is an experience shared by almost all of the Taiwanese and Korean managers now working in China. In some Taiwanese-owned factories the owners fly in retired Taiwanese army officers to impose

a similar martinet discipline. As Taiwan has become more democratic, that special skill is no longer in demand outside the military; it is being exported to these labor-intensive factories abroad where managers feel a need to control a discontented workforce.

Many local officials and state enterprise managers in China seem sympathetic toward these factories' militaristic approach. Not so long ago, under Mao Zedong, the loyal discipline of the People's Liberation Army was upheld for the entire nation to emulate. To a surprising extent, conversations with various government officials and trade union officials in China reveal that many of these 40-to-50-year olds had once been junior army officers, assigned to coveted positions as junior officials or middle-level factory managers when they were demobilized. They, too, see military-like control as a quick fix to the problem of a migrant labor force. The common underlying beliefs that these PRC officials and managers and the Taiwanese and Korean managers share come not from Confucianism, but from militarism and authoritarianism.

Though disciplinary management practices have spread from the foreign-run enterprises to other ownership sectors in China, we were surprised that some state workers reported corporal punishment at their workplace, as we did not detect it in our fieldwork, nor has it been reported in the Chinese press. For the time being, to be on the side of caution, we prefer to leave open the question of whether the degree of physical punishment in state and collective factories is indeed converging with what exists at the Taiwanese and other Asian joint ventures in China.

To conclude, we believe that the treatment of labor should be an integral part of all studies of business management. Once this is taken into account, the Chinese business practices that have commonly been depicted as nurturant by exponents of the "Confucian business characteristics" school will instead be seen to be disciplinarian, as evidenced by our empirical findings. The regime of labor control that is found in various degrees among ethnic Chinese managers in different parts of Asia is just a variant of the disciplinary labor regime that emerged in England and other European countries during the period of the Industrial Revolution. The difference today is that ethnic Chinese managers and owners sometimes employ an obfuscating rhetorical patina of "Confucian values" to overlay their rigid control over workers.

Notes

1. A few interesting examples of this voluminous literature, published before the Asian financial crisis sharply clipped growth rates outside China, are World Bank, *The East Asian Miracle: Economic Growth and Public Policy* (Oxford: Oxford University Press, 1993); Richard Robison and David S. G. Goodman, eds., *The New Rich in Asia: Mobile Phones, McDonalds and Middle-Class Revolution* (London: Routledge, 1996); East Asia Analytical Unit, *Overseas Chinese Business Networks in Asia* (Canberra: Department of Foreign Affairs and Trade, 1995).
2. See, for example, Gordon S. Redding, *The Spirit of Chinese Capitalism* (Berlin: de Gruyter, 1990); Gordon S. Redding and Michael Hsiao, "An Empirical Study of Overseas Chinese Management Ideology," in *International Cultural Differences*, ed. Gordon Redding (Aldershot: Dartmouth Publishing, 1995): 183-95;

- Chun-chieh Huang, "A Confucian Critique of Samuel P. Huntington's Clash of Civilizations," *East Asia* 6, nos. 1-2 (1997): 147-56; Gary G. Hamilton, ed., *Asian Business Networks* (Berlin: de Gruyter, 1996); You-tien Hsing, *Making Capitalism in China: The Taiwan Connection* (Oxford: Oxford University Press, 1998); Siu-lun Wong, "Chinese Entrepreneurship and Economic Development," in *China after Socialism*, ed. Barrett L. McCormick and Jonathan Unger (Armonk, N.Y.: M. E. Sharpe, 1996), 130-48. On this issue, see also Seong Hwan Cha, "Myth and Reality in the Discourse of Confucian Capitalism in Korea," *Asian Survey* 53, no. 3 (May/June 2003): 485-506.
3. See, for example, Aihwa Ong and Donald Nonini, *The Cultural Politics of Modern Chinese Transnationalism* (New York: Routledge, 1997).
 4. See, for example, Christopher Lingle, *Singapore's Authoritarian Capitalism: Asian Values, Free Market Illusions, and Political Dependency* (Barcelona: Edicions Sirocco, 1996).
 5. Arif Dirlik, "Critical Reflections on 'Chinese Capitalism' as a Paradigm," in *Chinese Business Enterprise: Critical Perspectives on Business and Management*, Vol. 1, ed. R. Ampalavanar Brown (London: Routledge, 1996), 17-38.
 6. Pun Ngai, "Becoming *Dagongmei* (Working Girls): The Politics of Identity and Difference in Reform China," *The China Journal*, no. 42 (July 1999): 1-18.
 7. Aihwa Ong, *Spirits of Resistance and Capitalist Discipline: Factory Women in Malaysia* (Albany: State University of New York Press, 1987), 155-62.
 8. Ching Kwan Lee, "Engendering the Worlds of Labor: Women Workers, Labor Markets, and Production Politics in the South China Economic Miracle," *American Sociological Review* 60 (June 1995): 378-397.
 9. Lisa Rofel, *Other Modernities: Gendered Yearnings in China after Socialism* (Berkeley and Los Angeles: University of California Press, 1999).
 10. Ong, *Spirits of Resistance*, 174-95.
 11. Tamara Jacka, "Working Sisters Answer Back: The Presentation and Self-Presentation of Women in China's Floating Population," *China Information* 13, no. 1 (summer 1998): 43-75; Pun Ngai, "Becoming *Dagongmei*"; Ching Kwan Lee, *Gender and the South China Miracle: Two Worlds of Factory Women* (Berkeley and Los Angeles: University of California Press, 1998), 109-36.
 12. Ong, *Spirits of Resistance*; Ong and Nonini, *Cultural Politics*; Ping-Chun Hsiung, *Living Rooms as Factories: Class, Gender, and the Satellite Factory System in Taiwan* (Philadelphia: Temple University Press, 1996).
 13. Lee, *Gender and the South China Miracle*; Rofel, *Other Modernities*; Jacka, "Working Sisters Answer Back"; Pun, "Becoming *Dagongmei*."
 14. Michel Foucault, *Discipline and Punish: The Birth of the Prison* (London: Penguin, 1977); Anthony E. Bottoms, "Neglected Features of Contemporary Penal Systems," in *The Power to Punish*, ed. David Garland and Peter Young (Aldershot: Gower, 1983), 166-202. In *Gender and the South China Miracle*, Ching Kwan Lee devoted several pages (109-16) to how one Hong Kong-managed factory in Guangdong Province imposes bodily and temporal control over the workers.
 15. Under the Maoist system the employment system could be characterized as paternalistic. Notably, though, the Chinese Communist Party then was vehemently anti-Confucian.
 16. *China Foreign Economic Statistical Yearbook, 2000* (Beijing: China Statistics Publishing House, 2000), 311-12.
 17. *China Statistical Yearbook, 2002* (Beijing: China Statistics Publishing House, 2002), 120.
 18. Newspapers run by the official PRC trade union and local labor bureaus, and at times tabloids, have tended to carry such news stories more than other kinds of newspapers. A selection of translations of such reports can be found in Anita

- Chan, *China's Workers under Assault: The Exploitation of Labor in a Globalizing Economy* (Armonk, N.Y.: M. E. Sharpe, 2001).
19. Tan Shen, "The Relationship between Foreign Enterprises, Local Governments, and Women Migrant Workers in the Pearl River Delta," in *Rural Labor Flows in China*, ed. Loraine A West and Yaohui Zhao (Berkeley: Institute of East Asian Studies, University of California, 2000), 293-309; Lee, *Gender and the South China Miracle*, 113-15; Isabelle Thireau and Hua Linshan, "The Moral Universe of Aggrieved Chinese Workers: Workers' Appeals to Arbitration Committees and Letters and Visits Offices," *The China Journal*, no. 50 (July 2003): 83-103; *Zhujiang Sanjiaozhou gongren quanyi zhuangkuang* (Conditions of the rights of workers in the Pearl River Delta) (Hong Kong: Asia Monitor Resource Center, 1995), 13-15.
 20. Dorothy Solinger, "The Chinese Work Unit and Transient Labor in the Transition from Socialism," *Modern China* 21, no. 2 (1995): 155-83; Zhao Minghua, *The Enterprise Reform in China and Its Impact on Labour: Cases from State Cotton Mills* (Ph.D. diss., University of Bristol, 1996); Jean-Louis Rocca, "Old Working Class, New Working Class: Reforms, Labour Crisis and the Two Faces of Conflicts in Chinese Urban Areas," paper presented at the Second Annual Conference of European Union-China Academic Network, Centro de Estudios de Asia Oriental, Universidad Autonoma de Madrid, Spain, 1999.
 21. See, for example, Sally Sargeson, *Reworking China's Proletariat* (New York: St. Martin's Press, 1999); Zhao Minghua and Theo Nichols, "Management Control of Labour in State-Owned Enterprises: Cases from the Textile Industry," *The China Journal* no. 36 (1996): 1-21; Jacka, "Working Sisters Answer Back"; Lee, "Engendering the Worlds of Labor"; Lee, *Gender and the South China Miracle*; Pun, "Becoming *Dagongmei*"; and Rofel, *Other Modernities*.
 22. This collective factory was called Baihua (hundred flowers). In 1994 it became a model for its successful new business strategy of adopting a "modern enterprise system" by proliferating into so many "joint ventures." On this see *People's Daily*, 5 April 1994. The only joint venture out of the ten that was under foreign management was one with Japanese capital.
 23. Ian A. Skoggard, *The Indigenous Dynamic in Taiwan's Post Development: The Religious and Historical Roots of Entrepreneurship* (Armonk, N.Y.: M. E. Sharpe, 1996), 63-66.
 24. The team nonetheless could not always gain entry to some of the randomly pre-selected sample of factories, as some managers of private-sector factories, particularly at the foreign-funded factories, declined to be surveyed. The team had to compromise and accept alternative footwear factories that allowed access, though ensuring at the same time that the sample still satisfied the range of variables needed: ownership type, national origins of foreign investors, and factory size. To avoid over-sampling workers in small factories, weighting methods were used to determine the number of workers to be surveyed. It was not possible for Anita Chan to accompany the team to the five survey sites because the presence of foreigners might have jeopardized the chance of getting into factories. Half a year later two members of the Chinese research team went with Chan to Dongguan and Putian to conduct interviews with officials, foreign managers, trade union officials, and workers (but not in the same factories as in the survey sample), in order to gain a general understanding of the footwear industry at these two survey sites. In 1997 Chan also visited Jinjiang, a county in Fujian Province known for its concentration of domestic private shoe factories. She was accompanied by a Chinese shoe buyer of low-quality shoes for export to Southeast Asia, who helped her gain access to several shoe factories.

25. Some managers and trade union chairs declined to fill in the questionnaire, some were not there on the day of the survey, and some factories did not have workplace trade unions.
26. These two figures do not add up to 1,531 because fifty informants (3.3 percent) failed to answer the question about their position in their factory.
27. This phenomenon is pointed out by Sally Stewart and Paula Delisle, "Hong Kong Expatriates in the People's Republic of China," *International Studies of Management and Organization* 24, no. 3 (1994).
28. Chengze Simon Fan, "Why China Has Been Successful in Attracting Foreign Direct Investment: A Transaction Cost Approach," *Journal of Contemporary China* 7, no. 17 (1998): 21-32. In our survey, eleven joint ventures were registered as having Hong Kong partners, but of these, only two factories were actually managed by Hong Kong-background partners. Given such a small sample of Hong Kong-run enterprises, it is not possible to compare Taiwanese- and Hong Kong-run factories in their styles of management or control of labor.
29. The breakdown of the overseas Chinese managers' nationalities is as follows: six from Taiwan, one from Hong Kong, one from the United States, and one from Vietnam.
30. Hsing, *Making Capitalism in China*, 69-71.
31. Andrew Walder, "Property Rights and Stratification in Socialist Redistributive Economies," *American Sociological Review* 57 (1992): 524-83.
32. Ng Shek Hong and Malcolm Warner, *China's Trade Union and Management* (London: St Martin Press, 1998).
33. *Workers' Daily*, 20 March 2001.
34. Dorothy Solinger, "The Chinese Work Unit and Transient Labor in the Transition to Socialism," *Modern China* 21, no. 2 (1995): 155-83.
35. "Institutionalized Exclusion," *China Rights Forum*, no. 1 (2003): 30-39; Dorothy Solinger, *Contesting Citizenship in Urban China: Peasant Migrants, the State, and the Logic of the Market* (Berkeley and Los Angeles: University of California Press, 1999); Anita Chan, "Labor Standards and Human Rights: The Case of Chinese Workers under Market Socialism," *Human Rights Quarterly* 20, no. 4 (1998): 886-904.
36. The only measure here that may not involve a labor violation is the control over toilet breaks because toilet breaks do not appear to be mentioned anywhere in Chinese laws and regulations.
37. Cheng Xiaoqi et al., "Laizi gaoqiang de kusu" (Wails from behind a high wall), *Yangcheng wanbao* (Canton Evening News), 30 August 1997; Chen Meijun, "Dalu yuangong gai ruhe guanli zui hedang?" (Which is the most appropriate way to treat mainland workers?), *Taiwan Xiexun* (Taiwan Footwear Bulletin), October 1997, 62-64; Chan, *China's Workers under Assault*.
38. The results of these statistical analyses appear below as Appendix Table 1.
39. We fitted factory size (logged), gender, type of work, and residence status as fixed effects, while specifying the factory as a random effect. This methodology, using the individual workers as the unit of analysis, takes into account not only the differences between workers but also the differences among factories. The three non-significant independent variables — level of exports, enterprise ownership, and existence of trade unions at factory level — were not included in the GLMM analysis because we had already discounted their effect earlier in the GLM analysis at factory level. The results of these statistical analyses appear below as Appendix Table 2.
40. Overall, the percentage of yes responses among production line workers was higher than non-production-line workers and staff, 23.6 percent vs. 17.6 percent.

41. A detailed discussion of the ramifications of mandatory deposits is Anita Chan, "Chinese Factories and Two Kinds of Free Market (Read Bonded) Workforces," *Asia Pacific Business Review* 6 no. 3 (2000): 260-81.
42. See, for example, *Yangcheng wanbao*, 15 February 2001. The ACFTU tried to put a stop to this by adding a clause in the new Trade Union Law of 2001 that prohibits close kin of the enterprise manager from serving as trade union committee members (Chapter 2, Article 9).
43. Ngok Kinglun, "New Collective Labor Relation Mechanism in the Workplace: The Collective Contract System in Mainland China," *Issues & Studies* 35, no. 6 (1999): 119-43.
44. Frederic C. Deyo has also examined the cultural argument at the level of industrial relations. See his *Beneath the Miracle: Labor Subordination in the New Asian Industrialism* (Berkeley and Los Angeles: University of California Press, 1989), 87-105.
45. E. P. Thompson, *The Making of the English Working Class* (Harmondsworth: Penguin, 1968); Karl Marx and Frederick Engels, *On Britain* (Moscow: Foreign Languages Publishing House, 1953); Karl Marx, *Capital: A Critical Analysis of Capitalist Production*, Vol. 1 (Moscow: Foreign Languages Publishing House, 1961), 231-302.
46. Foucault, *Discipline and Punish*, 135-69; Dario Melossi and Massimo Pavarini, *The Prison and the Factory: Origins of the Penitentiary System* (Totowa, N.J.: Barnes and Noble Books, 1981).
47. Chen, "Dalu yuangong gai ruhe guanli zui hedong," 62-64.
48. A logistic regression shows that the main predictor for a positive answer was length of work hours (i.e., the longer the workday, the more likely the workers wanted to leave) (OR=2.1). Next came low wages (OR=0.5). (*Note*: wages are not nominal wages but wages indexed against the locality's minimum wage standard.) Then came monetary penalties (OR=1.79) and, finally, the lack of choice regarding overtime work (OR=1.72). (*Note*: the variables tested are enterprise ownership, existence of a trade union, choice of overtime, toilet restrictions, living allowance for the slow season, monetary punishment, sick pay, residential status and length of workday [at a 99 percent level of significance]).
49. Zhao, *Enterprise Reform in China*, 140; Zhao and Nichols, "Management Control of Labour."
50. One of the coauthors, Anita Chan, is currently engaged in an in-depth study of a state enterprise in Chengdu that has precisely this arrangement. Migrants there work fewer than the legal maximum number of hours and they make as much as the urban workers, though they do not have most of the fringe benefits.
51. Andrew Walder, *Communist Neo-Traditionalism: Work and Authority in Chinese Industry* (Berkeley and Los Angeles: University of California Press, 1992), 536.
52. Field observation, 1996.

□

Appendix Table 1: (GLM) Predictors of discipline at factory level

Dependent variables	Independent variable	B	S.E.	P
Physical punishment	Factory size	-0.229	0.128	0.08
	Constant	0.043	0.795	
	Number of cases*	42		
Monetary punishment				
	Ownership			0.01
	Rural TVE	-0.12	0.91	
	Private Chinese firm	-0.58	0.57	
	Joint venture/PRC	0.85	0.44	
	Joint venture/overseas Chinese	1.55	0.47	
	Constant	-1.64	0.38	
	Number of cases*	49		
Freedom in toilet-going				
	Ownership			0.005
	TVE	0.23	1.54	
	Private Chinese firm	0.85	1.26	
	Joint venture/PRC	1.74	0.66	
	Joint venture /overseas Chinese	2.28	0.67	
	Size of factory (logged)	0.47	0.23	0.04
	Number of cases*	39		
	Constant	-6.35	1.74	
Freedom of choice about overtime				
	Constant	0.59		
	Ownership			0.06
	TVE	-0.22	1.04	
	Private Chinese firm	-0.052	0.79	
	Joint venture/PRC	-1.34	0.62	
	Joint venture/overseas Chinese	-1.81	0.71	
	Size of factory (logged)	-0.18	0.26	0.09
	Export degree	-0.0006	0.007	0.02
	Number of cases*	37		
Paying deposit				
	Size of factory (logged)	-0.96	0.25	0.0005
	Export degree	0.02	0.01	0.02
	Constant	3.83	1.37	
	Number of cases*	38		

Notes: * Total does not add up to 51 due to missing cases.

B = coefficient of independent variables

S.E. = standard error

P = level of significance

Appendix Table 2: Predictors of discipline at individual level (GLMM reduced model)

Dependent variables	Independent variable	Estimated	S.E.D.
Physical punishment	Constant	-1.92	
	Type of work		0.1684
	Production-line workers	0.597	
	Others	0	
Monetary punishment			
	Gender		0.14
	Constant	-1.61	
	Male	0	
	Female	-0.66	
Freedom in toilet-going			
	Constant	-5.155	
	Ownership		1.34
	State and collective enterprise	0	
	TVE	0.645	
	Private Chinese firm	1.719	
	Joint venture/PRC	2.115	
	Joint venture/overseas Chinese	4.378	
	Size of factory (logged)	0.67	0.34
	Type of work		0.24
	Production-line workers	1.17	
	Others	0	
	Residential status		0.33
	Non-migrant	0	
Migrant	1.046		
Freedom of choice about overtime			
	Constant	0.89	
	Gender		0.16
	Male	0	
	Female	-0.34	
Paying deposit			
	Constant	-1.78	
	Gender		0.195
	Male	0	
	Female	0.75	

S.E.D. — standard error of differences