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### Migrant Petty Entrepreneurs and a Dual Labour Market ?

**Zusammenfassung:** Der Aufsatz diskutiert verschiedene Formen der Arbeitsmarktsegmentierung in China. Statt des klassischen Modells eines dualen Arbeitsmarktes mit einem formellen Hochlohn- und einem informellen Niedriglohnsektor schlägt er eine Dreigliederung vor in einen ersten, staatlich geregelten formellen Sektor, einen zweiten, informell geregelten Sektor, in dem traditionelle Fertigkeiten, landsmannschaftliche und persönliche Beziehungen eine ausschlaggebende Rolle spielen, und einen anonymen dritten Sektor für Personen ohne Ressourcen und Netzwerk. Diese dabei herrschenden Arbeitsbedingungen im zweiten und dritten Sektor, die Interaktionen mit dem Staat und die weitere Segmentierung in Arbeitsmärkte für einzelne Gewerbe werden anhand von Skizzen über die Situation von bäuerlichen Migranten beschrieben. Als Beispiele dienen Händler, Handwerker und Dienstleistende, Betreiber von Textilgeschäften, Bettler und Abfallsammler.

**Schlagworte:** Segmentierung des Arbeitsmarkts, Migranten, Arbeitsbedingungen, Wettbewerb, Hierarchie, Prestige

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**Abstract:** This article discusses various forms of labour market segmentation in China. Instead of the classic dual market model of a formal high-wage and an informal low-wage sector, it proposes a three-tier framework of a first, state-regulated formal sector, a second, informally regulated sector with a decisive role of traditional skills, local and personal relationships, and an anonymous third sector for persons without such resources and networks. Sketches of the situation of peasant migrants describe the prevailing work conditions in the second and third sector, the interactions with the state and the further segmentation in labour markets for different trades. The examples provided are merchants, craftsmen and service personnel, garment traders, beggars and scrap collectors.

**Key words:** Labour market segmentation, migrants, work conditions, competition, hierarchy, prestige

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Contents

1. Introduction.....	2
2. The Floater-Friendly Urban Labour Market: Demand, Resources, and Networks.....	5
2.1 Demand Factors.....	5
2.2 Resources and Networks.....	6
3. Three Types of Entrepreneurial Activities and Those Who Perform Them.....	8
3.1 Services: Commerce and Crafts.....	8
3.2 The Garment Trade.....	12
3.3 Beggars and Scrap Collectors.....	14
4. Conclusion.....	17

# 1 Introduction

The portion of the urban labour market in which the floating population is positioned is fissured and fractionalised. Combined with the still very salient role played by the state in China's political economy, this fragmentation - whereby a myriad of groups each finds its occupational niche - has, so far, kept large Chinese cities from experiencing the massive surpluses of unemployed migrant workers so common in Third World metropolises.<sup>1</sup>

Indeed, the multitudinous subdivisions within the market often make it remarkably accessible, at least for those with the right connections. In addition, for at least some in this market these subdivisions work, if indirectly, to mitigate the instability and exploitation commonly held to characterise 'secondary' or 'informal' labour markets.

Certainly at a minimum the very complexity of this patchwork market defies the clarity of the now classic 'dual market' model.<sup>2</sup> According to the chief theorist of that model, Michael J. Piore, this market is one that is,

divided into two essentially distinct segments, termed the *primary* and the *secondary* sectors. The former offers jobs with relatively high wages, good working conditions, chances of advancement, equity and due process in the administration of work rules, and, above all, employment stability. Jobs in the secondary sector, by contrast, tend to be low-paying, with poorer working conditions and little chance of advancement; to have a highly personalised relationship between workers and supervisors which leaves wide latitude for favoritism and is conducive to harsh and capricious work discipline; and to be characterised by considerable instability in jobs and a high turnover among the labour force.<sup>3</sup>

Piore held that, 'the relative stability of jobs and workers in the two sectors . . . [is] the critical explanatory variable in understanding the origins of the two sectors, and the other characteristics [could] be viewed as derivatives of this one factor.'<sup>4</sup> Thus, he believes, dualism issues from 'the flux and uncertainty that inheres in all economic activity'; and those labouring in the secondary sector must bear the brunt of that uncertainty.<sup>5</sup>

After Piore, a number of other scholars refined his theory, still working with a double-sectoral model, but situating its origin in other factors, and often referring to a 'formal' and an 'informal' sector, as against a primary and a secondary one.<sup>6</sup> Richard C. Edwards, for instance, points to a given firm's position within the 'monopoly capitalist system', in particular, its size and competitiveness, to account for the sector to which it belongs.<sup>7</sup> Edna Bonacich, employing the related concept of a 'split labour market', grounds the distinction in ethnic differences, since

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<sup>1</sup> Todaro, Michael P., *Economic Development in the Third World*, 3d. ed., New York 1985, p.253-261.

<sup>2</sup> Harris, John R. and Michael P. Todaro, 'Migration, Unemployment, and Development: A Two-Sector Analysis', in: *American Economic Review*, 60,1, March, Nashville 1970, p.126-42.

<sup>3</sup> Piore, Michael J., 'Notes for a Theory of Labor Market Stratification', in: Richard C. Edwards, Michael Reich, and David M. Gordon, eds., *Labor Market Segmentation*, Lexington 1975, 12t.

<sup>4</sup> Ibid., p.126.

<sup>5</sup> Idem., *Birds of Passage: Migrant Labor and Industrial Societies*, Cambridge 1979, p.36.

<sup>6</sup> See Kannappan, Subbiah, 'Urban Employment and the Labor Market in Developing Nations', in: *Economic Development and Cultural Change* (hereafter EDCC), 33, July, Chicago 1985, p.699-73.

<sup>7</sup> Edwards, Richard C., 'The Social Relations of Production in the Firm and Labor Market Structure', in: Edwards, Reich, and Gordon, op. cit., p.4.

pertinent resources and motives of labour groups tend to vary according to the specific hierarchy of ethnicity that obtains in a given society.<sup>8</sup>

In another piece, Alejandro Portes, collaborating with Robert L. Bach, characterises the dual labour market as one made up of a primary, oligopolistic segment composed of giant firms and a secondary, competitive one populated by small enterprises.<sup>9</sup> In general, while these authors may each adduce different factors to account for the presence of two distinct tracks in the labour market, they all agree that migrant workers and other disadvantaged labourers unfailingly occupy the secondary one. They also all emphasise the same type of traits in distinguishing one track from the other: income levels, working conditions, the presence of contracts, adherence to governmental regulations, unionisation of the work force, whether or not a firm pays social security for its workers, and, especially, job stability.<sup>10</sup>

In describing late twentieth-century, reform-era China, however, to collapse the many strands of the migrant-accessible portion of the urban labour market into just one segment, while theoretically possible, would in fact seriously obscure the fundamental operational mechanisms of that market.

First of all, the traits that should adhere to the two segments of the classic 'dual market' do not neatly distinguish two types of firms in the China of today. The urban large and medium state-owned firms have historically shared important characteristics with Edwards' corporations under monopoly capitalism or Portes and Bach's oligopolies, it is true - namely, control over the distribution of their products and advancement of their workers via internal markets - and so do seem to meet at least some of the conditions for being a primary market.

But the jobs (and their characteristics) landed by the floaters are far more varied than those in the residual 'secondary' category described by the theories of these analysts. Furthermore, with the deepening of economic reform, many of the once-dominant state firms can no longer promise stability of work. For they now face the prospect of bankruptcy, their previously life-tenured workers suddenly potentially subject to unemployment. Thus, in today's China, just as Edward Telles writing of Brazil has noted, 'formal and informal sectors are each made up of diverse economic categories, such that within the informal sector there are some whose profits and incomes are dependably regular (affording the stability that is supposedly present only in the primary, formal sector), their incomes predictably high.'<sup>11</sup>

Moreover, in China ethnic factors do not neatly delineate primary and secondary markets. For, as Subbiah Kannappan (whose work draws on data from a broad range of Asian, Latin American, and African societies) has astutely observed, 'a relatively complex process of interaction [obtains] among the traditional society, the rural labour force, and urban employment', such that

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<sup>8</sup> Bonacich, Edna, 'A Theory of Ethnic Antagonism: The Split Labor Market', in: *American Sociological Review*, 37, Albany October 1972, p.547-59.

<sup>9</sup> Portes, Alejandro and Robert L. Bach, *Latin Journey: Cuban and Mexican Immigrants in the United States*. Berkeley 1985, p.16-18.

<sup>10</sup> Tannen, Michael B., 'Labor Markets in Northeast Brazil: Does the Dual Market Model Apply?', in: EDCC 39, 3, April 1991, p.567-83; Edward E. Telles, 'Urban Labor Market Segmentation and Income in Brazil', in: EDCC, 42, 2, January 1993, p.231-250; Castells, Manuel and Alejandro Portes, 'World Underneath: The Origins, Dynamics, and Effects of the Informal Economy', in: Portes, Alejandro, Manuel Castells, and Lauren A. Benton, eds., *The Informal Economy: Studies in Advanced and Less Developed Countries*, Baltimore 1989, p.12; Sassen-Koob, Saskia, 'Immigrant and Minority Workers in the Organization of the Labor Process', in: *Journal of Ethnic Studies*, 8,1, Bellingham, WA 1980, p.17.

<sup>11</sup> Telles, op. cit., p.233.

“traditional’ factors and ties will cut across’ the formal/informal sectoral divisions,<sup>12</sup> a finding that holds true for China, too.

There are two crucial features that the urban Chinese labour market does share with the dual market theory: first of all, ‘Urban [that is, formal, entitled, official urban] labour markets are open only to urban people [that is, those with official urban household registration]’.<sup>13</sup> And secondly, the market is segmented (though, I maintain, not into just two segments), both by the structural features of the various types of work available,<sup>14</sup> and, as with any multi-ethnic labour market, differentiated by concentrations of what we could call ‘ethnic’ clusters, whether owing to discrimination or to the disparate skills of the several groups.<sup>15</sup>

Yet these basic elements do not take us far enough. It is not the case in China, as dual market theory presumes, that exploitation uniformly plagues everyone outside the formal sector.<sup>16</sup> It is also not clear that competition, as opposed to a situation nearer monopolies within individual trades - at least for some trades - characterises the secondary sector.<sup>17</sup> And, today, both stability and instability may be found in either sector.

For the Chinese case, to account for the presence of competitiveness, exploitation, and stability within a trade, a more systematic explanation is needed. I propose a framework that distinguishes between state-administered or formal markets; informal, but ascriptively-guided, non-state markets; and what the Chinese label ‘spontaneous’, or ‘blind’, nonadministered, anonymous markets. Migrant labourers may be found in all three.

In reality, these three modal types of markets are not always cleanly distinct. However, a worker’s sorting into one or another of these markets - sorting which has much to do with what I will call the ‘network resources’ possessed by a given worker - goes a long way toward explaining the degree of exploitation he/she will encounter, and the stability of employment he/she may enjoy. Moreover, each of these three markets is further segmented into separate markets for individual trades, each of which operates according to rules of its own. Given these considerations, it will be more fruitful to conceive not of one single, bifurcated market, but instead of multiple ones, each functioning with separate rules and recruitment strategies, catering to disparate pools of workers, and offering varying working conditions.<sup>18</sup> To understand the functioning of these multiple markets, it is necessary to look at both the nature of the resources that shape the markets and the types of trades within them. I propose that, as against Piore, it is not ‘the relative stability of jobs and workers’ that is the ‘critical explanatory variable’. Rather, stability of the job and the worker is itself one of the chief dependent variables.

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<sup>12</sup> Kannappan, op. cit., p.713, 721.

<sup>13</sup> Wuhan Shi Laodongju bian (Wuhan City Labor Bureau), ed., *Chengshi Wailai Laodongli Guanli* (The Management of Outside Urban Labor), Wuhan 1990 (hereafter: Wuhan Shi).

<sup>14</sup> Mazumdar, Dipak, ‘Rural-Urban Migration in Developing Countries’, in: Edwin S. Mills, *Handbook of Regional and Urban Economics Volume II: Urban Economics*, Amsterdam 1987, p. 1114; Telles, op. cit., p.233.

<sup>15</sup> Castells and Portes, op. cit., p.32, state that, ‘immigrant communities tend to be confined to specific markets.’ I use ‘ethnic’ here in the sense used by Honig, Emily, *Creating Chinese Ethnicity: Subei People in Shanghai, 1850-1980*, New Haven 1992.

<sup>16</sup> Skeldon, Ronald, *Population Mobility in Developing Countries: A Reinterpretation*, London 1990, p.162; Portes, Alejandro, ‘Modes of Structural Incorporation and Present Theories of Labor Immigration’, in: Kritiz, Mary M.; Charles B. Keely, and Silvano M. Tomasi, eds., *Global Trends in Migration*, New York 1981, p.297; and Jackson, J. A., *Migration*, London 1986, p.78.

<sup>17</sup> Morrison, Peter A., ‘The Functions and Dynamics of the Migration Process’, in: Brown, Alan and Egon Neuberger, eds., *Internal Migration: A Comparative Perspective*, New York 1977, p. 65.

<sup>18</sup> Kannappan’s article, cited above, provides an entre into such an approach. He, however, does not offer any systematic explanation for the variation he observes.

## 2 The Floater-Friendly Urban Labour Market: Demand, Resources, and Networks

### 2.1 Demand Factors

The 'reform' of the socialist economic system that began in 1979 has led to a debilitation of the domestically-oriented, urban-centred, statist, socialist frame. This in turn has involved the release of urban job-seekers from their prior dependence upon the allocation of jobs by urban labour bureaus, and freed them to select work of their own choice.<sup>19</sup> It has also legitimised work outside the state and collective sectors, in privately- and foreign-owned and operated enterprises, in light industry, and in the previously proscribed commercial and service sectors. At the same time, the simultaneous demolition of rural communes both freed up peasants from their bondage to the fields and also revealed the huge component of hidden unemployment concealed beneath the former commune structure.

Since the mid-1980's, as urbanites have increasingly opted for jobs in new sectors, state firms have been pressed to find substitute labour. And with the end of the several decades'-old bar against peasants working in cities, urban firms, still charged with persisting in production, have turned to rural labour - labour not entitled to the benefits historically granted urban workers in the PRC - who are now available for this work in massive numbers, for the first time since the 1950's. The absence of a free labour market in the intervening decades, linking urban and rural areas, has made city firms now even more dependent upon informal, ascriptively-defined connections than is common in most developing nations.<sup>20</sup> In addition, a vast variety of low-tech jobs in building and services call out for casual workers. Thus, in this arena loaded with opportunity, even semi-literate farmers can find an opening.

Certainly, the occupations these trends have offered to peasants - in construction, marketing, services, textiles, sanitation, transport, and scrap collecting, to name a few - are ones allocated to transient labour the world around, from the migratory labourers and guest workers of Western Europe to the shanty-town peasants of Latin America.<sup>21</sup> But even if Chinese migrants fill the same, lowly jobs as migrants elsewhere, the structural causes are somewhat different: The very existence of many of these jobs and occupations in China today has resulted from crucial gaps in the old economy, now finally exposed with the progressive collapse of the former state-dominated, heavy industrially-biased frame. And all of them are particularly appropriate to the skills and the inclinations of peasants, now finally free to fill them. The former single urban labour market, led by the state - which was, in fact, far from being a 'market' - has been fissured, and peasants have poured into the pits.

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<sup>19</sup> Hu Teh-wei and Elizabeth Hon-Ming Li, *Labor Market Reforms in China* (Paper presented at Center for Chinese Studies, Spring Regional Seminar, University of California, Berkeley), April 11, 1992, p.49; Ye Shengyao, 'Inquiry into the Issue of the Temporary Population in Suzhou City', RKXK, 2, 1989, p.57; Liu Dawei and Wang Qiangzhi, 'An Investigation Report on the Problem of Labor Being Hard to Find in Beijing City', in: *Shehui kexue yu shehui diaocha* (Social Science and Social Investigation), 1, Changchun 1987, p.36; and FBIS, July 25, 1991, p.53. At the No. One Cotton Mill in Wuhan, I was told on May 23, 1992 that, 'The factory would prefer city labor, but city people don't want to do it.'

<sup>20</sup> On the pervasiveness and indispensability of such ties in developing nations, see Kannappan, op. cit., p.717.

<sup>21</sup> For instance, Stephen Castles and Godula Kosack, *Immigrant Workers and Class Structure in Western Europe*, 2nd ed., New York 1985, p.112; Larissa Adler Lomnitz, *Networks and Marginality: Life in a Mexican Shantytown*, New York 1977, p.209; and Piore, 1979, p.18.

## 2.2 Resources and Networks

A huge army of surplus peasant labour, poised to stop up these gaps, then, is the obvious source of supply. But how to tap the supply? There are, essentially, three answers to the question, corresponding to three modal types of migrants. The existence of these three types indicates the fractionalisation of the migrant pool, and the three are differentiated here in accord with the network resources each does or does not bring to bear on its employment opportunities. For, as a recent study commented:

Our country's current labour market is different from the usual concept of labour market. First, a peasant worker is not a completely independent individual entering a labour market. Second, labour does not completely rely on the influence of market prices, but flows in accord with traditional social networks.<sup>22</sup>

First of all, given that the state-sectoral frame is still extant, not yet fully vitiated, a bond with it of any sort constitutes a valuable resource. Those enjoying ties to the state, and who therefore have received placement in a state-owned unit, can expect at least a modicum of state-sponsored protection (relatively low exploitation) and at least some minimum of job security (stability).

Secondly, migrants may benefit from features of their places of origin. This type of resource derives from the ubiquitous regionally-based and historically-rooted diversity that dominates the Chinese landscape, so salient to the Chinese themselves that they typically perceive people from different places as if they were ethnically disparate.<sup>23</sup> Fortunate are those whose own local area boasts rare and popular products that can be marketed, or is heir to a tradition of special skills or occupations;<sup>24</sup> such goods and abilities can be parlayed into a resource for urban life. These people's networks lie among their fellow place-people: among those from their home areas who are already resident in their place of destination; and with those back at home with whom they maintain supply channels.

The precise position of the various subgroups having this type of resource is a function of the prestige of the product or service they have to sell, and the skill with which they do so. For instance, Zhejiang carpenters begin with a higher level of prestige than do Henanese trash collectors. At the micro level, within each individual group some people, those with capital or who are leaders or close to leaders of the group, can anticipate reasonably fair treatment. Others among them, less well placed, are likely to be exploited.

It is only those of the third type, the hapless 'free-floaters', those coming to town without craft, connections, or competence, who wander aimlessly and at loose ends. A pitiful vignette illustrates their mode of operation:

At Nanjing station, peasants were asked where they were going. 'Whatever, doesn't matter [*suibian*]', was the casual reply. 'We sent people to stand in line to buy tickets . . . Whatever place they can get tickets for is where we'll go.'<sup>25</sup>

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<sup>22</sup> Ministry of Agriculture Rural Economic Research Center, ed, 'Summary of the Second 'Rural Labor Forces Mobility Research Forum' Conference', in: *Bulletin of Rural Labor Mobility Studies*, Beijing 1995, A-02, 10.

<sup>23</sup> Honig, op.cit.

<sup>24</sup> As Zhu Suhong, *Chengshizhong di nongmin: dui Beijingshi zhanzhu nongcun renkou di yanjiu* (Peasants in the City: An investigation of the Peasant Population Temporarily Living in Beijing), (M.A. thesis, Beijing University, Department of Sociology) Beijing 1992, p.11, explains, 'the economic and cultural elements of one's home area is decisive.'

<sup>25</sup> Staff Reporter, 'Human Labor Tide Rolls on with Full Force Yet Another Year', in: *Liaowang*, 8, February 22, Beijing 1993, p.8.

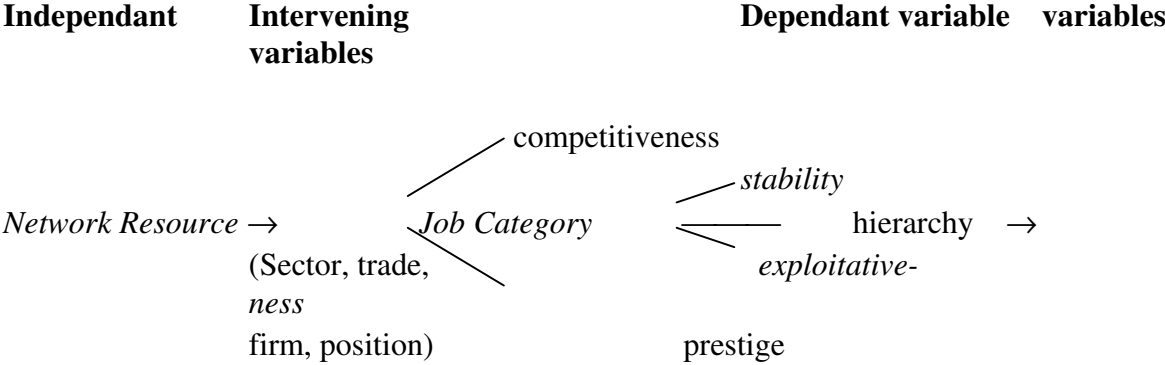


Since I deal in this paper with the petty private sector, none of whose members are employed by the state, I will be discussing only the second and third groups. Still it is worth pointing out here that many migrants do find jobs in the state sector,<sup>26</sup> and that, even for those in types two and three, positive ties to the state and its cadres can lessen the degree of exploitation and increase the measure of security a given worker experiences. Conversely, poor relations with the state can be correspondingly detrimental. These network resources upon which the practitioners of each trade draw can explain the degree of competitiveness, exploitation, and stability they confront. In brief, I posit that one's *network resources* are the determining factor (independent variable) that sorts workers into various *job categories* (occupation/trade, type of position, nature of firm, sector of the economy) (intervening variable).

Various job categories, then, each carry with them a set of three features: (i) a given degree of competitiveness (horizontal pressures among firms); (ii) a structure of authority and management practices (degree of *hierarchy* versus autonomy, i.e., vertical pressures within the firm); and (iii) a particular level of *prestige* (placement within a status hierarchy of trades).

Finally, the amount of *stability* and *exploitiveness* under which a particular worker labours, the dependent variables, are a function of the job category in which he/she finds him/herself. These relationships may be schematised as follows:

**Figure 1**



At one extreme, workers whose native-place network resources sort them into highly competitive trades, where hierarchy is steep and prestige low, will experience the most instability and exploitation. Alternatively, those whose resources sort them into less competitive occupations, where hierarchy is largely absent and prestige high, will be exploited much less and will experience more job security. These relationships complicate the simplicity of the dual market model. But they afford more accuracy in understanding the character of the labour market into which China's rural transients must fit themselves.

<sup>26</sup> On the differential benefits and treatment migrant workers receive when employed in a state-owned firm, at least into the early 1990's, see my article, 'The Chinese Work Unit and Transient Labor in the Transition from Socialism', in: *Modern China*, 21, 2, 1995, p.155-83.

### 3 Three Types of Entrepreneurial Activities and Those Who Perform Them

Here we consider petty entrepreneurs in three different trades, the level of prestige, degree of hierarchy, and competitiveness of which vary greatly: those in services; those in the garment trade; and beggars and trash collectors. Generally, those in the first group have the highest prestige of the three, and some among them have the most autonomy of the three, but they may suffer from competitive pressures. Garment workers, as members of a production line of a sort, are more likely to be subject to hierarchical pressures, enjoy middling prestige and face little competition; and beggars must struggle with low prestige, high competition, and, for many, oppressive hierarchy.

Table 1

Trade	Competition	Hierarchy	Prestige
Services	both high & low	both high & low	high to middling
Garments	low	high	middling
Beggars	high	high	low

#### 3.1 Services: Commerce and Crafts

The portion of the floating population in the cities performing services - whether buying and selling, fashioning and repairing objects of daily use, or provisioning the population - though disparate in its skills and lifestyles, share a set of traits. These are the proprietors and the rank and file of the China's private sector, most of whom in any large city were previously peasants.<sup>27</sup>

One important feature these sojourners share is their need to find a modus vivendi with the state. Though there is little hard data in this area, in one case in Beijing, Jiangsu people rent business licenses from local residents to set up repair stalls, book or cigarette booths. On their behalf, the Beijing owners deal with the administrative authorities in the industrial and commercial management bureau. Though the authorities are aware of the deception, they agree to keep silent - perhaps for a mutually beneficial price.<sup>28</sup>

But despite their sometimes favourable tie to state officials, they are cursed with having to face a high level of competition. Some of these proprietors make this adaptation via hierarchy - by hiring employees at low wages. For example, in a study of nearly 300 migrants in Beijing in late

<sup>27</sup> As of the early 1990's, the more than 30,000 merchants' stalls found daily in Wuhan's small commodities market on Hanzheng Street were amassing an annual business volume of 530,000,000 yuan. Beijing City People's Government Research Office, Social Section, 'A Comprehensive Report on the Issue of Eight Big Cities' Floating Population', in: *Shehuixue yanjiu* (Sociology Research) (hereafter SHXYJ), 3, Beijing 1991, p.21. By early 1993, an official source reported that there were over 10,000 individual commercial firms in Beijing, involving more than 20,000 people; and that of all the workers at the stalls and booths operated by the city's more than 100,000 self-employed individuals, more than 70 percent were nonlocals. (See Wang Ju, Shi Chongxin, and Song Chunsheng, 'Beijing's Mobile Population: Current Status, Policy', in: *Renkou yu jingji* (Population and economy) (hereafter RKYJJ), 4, Beijing 1993; translated in: Joint Publications Research Service (hereafter JPRS)-CAR-93-091 (12/29/93), p.46.

<sup>28</sup> Information from a Chinese scholar, Hong Kong, June 27, 1991.

1991 to early 1992, the investigator found that only 1.3 percent of the employees of such firms received 400 yuan per month (though 43 of the proprietors earned at least that much); moreover, 46 percent of those employed netted only 150 yuan per month.<sup>29</sup>

Another mode of coping is by means of exploitative treatment on the job - such as enforcing appallingly long work hours and offering no health insurance.<sup>30</sup> This statement makes the point:

Some employers say: 'There's no one to take care even of our own health expenses, so how could we take care of theirs [the employees']?' When one worker got seriously sick after labouring for 16 hours a day, the boss feared that taking care of her would waste money, and also feared that he would have to take responsibility if 'something unexpected' happened, so he just fired her. So workers keep working if a little sick. This kind of thing is not infrequently seen among hired labour.<sup>31</sup>

Here the author hints as well at the insecurity of jobs held by the underlings of private entrepreneurs. There are also reports of sexual harassment, and of rape, in the relations between the private entrepreneurs and their employees.<sup>32</sup>

## Marketing

Commercial sojourners ply their trade in several different forms. Most of them operate autonomously. One of the earliest styles, once peasants were free to travel, was to peddle home-grown products in major thoroughfares. Tianjin was one such node, for from there it was easy to transfer goods further north; Wuhan, favourably situated in the heart of central China, was another.<sup>33</sup> At the same time, millions of periurban farmers simply cart their produce short distances several times a week, pendulum-style, to the large city nearby.<sup>34</sup> Meanwhile, vendors of rare specialities or non-perishables might journey long distances, even across several provinces, where their products are in demand. There they ensconce themselves for relatively lengthy periods,<sup>35</sup> renting peasants' homes, living in cheap hostels, or sometimes even holing up under plastic sheeting behind their own market stalls.<sup>36</sup>

Such people have two chief modes of interacting with the state: since some of the wholesale markets are still state-owned, some retailers are dependent on these for their stocks and strive to

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<sup>29</sup> Zhu, op. cit., p.15. 'Income Distribution Statistics Analyzed', in: *Jingji yanjiu* (Economic Research), 1, Beijing 1992, p.53-63; translated in JPRS-CAR-92-043 (June 22, 1992), 13 states that among private firms in large cities, only one fifth of the entrepreneurs earn more than 10,000 a year.

<sup>30</sup> *Wuhan Shi*, p.114-15.

<sup>31</sup> *Ibid.*, p.115.

<sup>32</sup> FBIS, August 15, 1988, p.30, from *China Daily* (hereafter CD), August 12, Beijing 1988, p.1, states that women hired by private entrepreneurs are 'often targets of harassment,' and that 'many are raped.'

<sup>33</sup> Interview with representative from the Tianjin Commercial Commission, June 23, 1992; on Wuhan, see Zhongguo shehui kexueyuan (Chinese Social Science Academy), *Zhongguo renkou nianjian 1987* (Chinese Population Yearbook, 1987), Beijing 1988, p.684.

<sup>34</sup> Goldstein, Sidney and Alice Goldstein, 'Population Mobility in the People's Republic of China', in: *Papers of the East-West Population Institute*, 95, Honolulu 1985, p.33.

<sup>35</sup> *Idem*, 'Town and City: New Directions in Chinese Urbanization', in: R. Kwok, Yin-wang, William L. Parish, and Anthony Gar-on Yeh with Xu Xueqiang, eds., *Chinese Urban Reform: What Model Now?*, Armonk, N.Y 1990, p.30; Ma Xia, 'On the Temporary Movement of the Rural Population', in: *Chinese Sociology & Anthropology*, 21, 2, Armonk, NY 1988/89, p.81 (translated from RKYJJ, No. 1 (1984), p.10-13; Li and Hu., op. cit., p.249; and Shanghai Shi Tongjiju bian (Shanghai City Statistics Bureau), ed., *Shanghai liudong renkou* (Shanghai's Floating Population), Shanghai 1989 (hereafter Shanghai Shi), p.106, p.64.

<sup>36</sup> Interview, Tianjin Housing Bureau, June 19, 1992; and personal observation and interviews in the open markets of Tianjin, Nanjing, and Wuhan, May-June 1992.

establish favourable bonds with officials.<sup>37</sup> The more frequent contact comes when state officials harass the smaller salespeople, as they have been wont to do whenever marketing was sanctioned in the People's Republic.<sup>38</sup>

But a minority of outside merchants in big cities have become well enough endowed and connected to erect buildings and open large-scale stores, in which they rent counters to local merchants and to more petty capitalists from other locations. Also, about one third of the wholesalers and shippers resident in Tianjin by the early 1990's were wealthy dealers in industrial products, hailing from Jiangsu, Fujian and Zhejiang.<sup>39</sup> Thus, this is a trade whose prestige is sufficient to give its most successful members (who have won out in competition and achieved the wealth to employ others) the potential for stable and non-exploitative employment, at least for themselves.

### **Handicrafts and service personnel**

Unlike the produce traders, of whom many - more like commuters than migrants - stay close to home, persons of skill are prone to range. In a typical pattern, they travel to regions where crafts and services are scarce, and either set up their booths or stalls, solicit jobs as they stroll through the streets, or appear at 'spontaneous' labour markets, offering their artefacts or their knack at repair.<sup>40</sup> Since crafts are a tradition in the areas south of the Yangtze, and are lacking in the north, their practitioners have been compared to migratory birds, moving to the north for the moderate season, and scattering back to the south for the winter.

But some have settled down in strange locations, organising themselves into native-place clusters. In one example, beginning as early as 1978, carpenters from Zhejiang discovered it was easy to earn money in the Inner Mongolian desert. These people then started a chain migration so powerful that, within less than a decade, their small community had cornered over two thirds of the business volume in one small northwestern community in the wasteland.<sup>41</sup> In this community these first Zhejiangese were later joined by southern lacquerware specialists, restaurateurs from Sichuan and Wenzhou, and tailors from Shanghai.

These southern artisans may also be found in such other northern border places as Xinjiang<sup>42</sup> and Harbin, where it is common lore that 'it's easy to make money here, because services are in need', since 'local people don't like to work in the service sector'.<sup>43</sup> Apparently, at least in the earlier period of the migratory process, these technicians co-operated with their fellow natives and laboured free of competition.

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<sup>37</sup> Interview with social scientists, Harbin, July 4, 1991.

<sup>38</sup> Ge Xiangxian and Qu Weiyang, *Zhongguo Mingongchao: 'Mangliu' Zhenxianglu* (China's Tide of Labor: A Record of the True Facts about the 'Blind Floaters'), Beijing 1990, p.104-106; for background on the treatment of small traders between 1949 and 1980, Solinger, Dorothy J., *Chinese Business Under Socialism*, Berkeley 1984, Chapter Four.

<sup>39</sup> Interview with cadre from the Tianjin Commerical Commission, June 23, 1992.

<sup>40</sup> Ma, op. cit., p.81.

<sup>41</sup> Fang Ming et al., 'The Development of China's West and the Mobility Pattern of Population Migration: On an Investigation of Dongsheng City, Inner Mongolia', in: *Zhongguo renkou kexue* (Chinese population science) (hereafter ZRK), 5, Beijing 1988, p.20-26. Goldstein and Goldstein, op. cit., p.34.

<sup>42</sup> Yuan Xin and Tang Mingda, 'A Preliminary Investigation of Xinjiang's Floating Population', RKYJJ, 3, 1990, p.46-52.

<sup>43</sup> These were the words of a social scientist interviewed on July 4, 1991, and of a library worker, in a conversation on July 15, 1991; a number of other informants said something similar.

But to take a different kind of example, the trade of carpentry thrived in the mid-1980's. By the end of the decade, however, competition and costs began to play havoc with the livelihood of these craftspeople. Incessant streams of tradespeople meant that the supply of workers began outpacing demand, while increases in state-set prices of their raw materials priced some out of the market.<sup>44</sup> Many people from Zhejiang who had earlier landed in Lanzhou, for instance, found that they couldn't go on there, and departed for Ningxia and Inner Mongolia.<sup>45</sup>

Besides the influence from state prices, there is another way in which these people operate at the mercy of the state. Carpenters carving on foreign turf may fall victim to officials' highhandedness and cheating. In one story, reported by two Chinese journalists, a sofa-maker told of his co-villager, who

made a set of furniture for a cadre from Lanzhou's industrial and commercial management office, but the official delayed paying. So the artisan brought his cousins to call at the cadre's house to demand the payment of the debt. But the cadre called out ten 'brothers', who, grasping weapons, were laying in wait. When the carpenter's relatives saw this, they rushed away in fright. So it was as if they had worked 20 days in vain.<sup>46</sup>

Cobblers mostly come from Zhejiang and congregate together. In Tianjin, allegedly 10,000 of them were making their homes in rented rooms around the north train station in the early 1990's.<sup>47</sup> Just as affiliates of the traditional *tongxianghui* [same home area association],<sup>48</sup> they are joined, sometimes simply in a comradely fashion deriving from the bonds established through chain migration,<sup>49</sup> sometimes for business matters, as to pass market information, engage in mutual assistance, or carry out joint business activities.<sup>50</sup>

In the most coherent form, they are linked by bosses who guard the turf of the group, and negotiate or initiate brawls over its invasion.<sup>51</sup> They are not subject to competition from craftspeople from other places, nor do they labour under the whims of a superior. Once equipped with a spot for their business, they work stably and free of exploitation.

But though city folk marvel at the earnings of these cobblers,<sup>52</sup> their prestige is only middling, and their lot can be precarious because of the predations of officials, as this reporter's description indicates:

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<sup>44</sup> CD, July 30, 1991, p.6.

<sup>45</sup> Ge und Qu, op.cit., p.97.

<sup>46</sup> Ibid., p.98.

<sup>47</sup> Street interviews, Tianjin May 1992.

<sup>48</sup> Ho Ping-t'i, *Zhongguo huiguan shi lun* (An Historical Study of Huikuan in China), Taipei 1966. Also see Golas, Peter J., 'Early Ch'ing Guilds', in: Skinner, G. William, ed., *The City in Late Imperial China*, Stanford 1977, p.555-80; Goodman, Bryna, *Native Place, City and Nation*, Berkeley 1995; Skinner, G. William, 'Introduction: Urban Social Structure in Ch'ing China', in: Skinner, G. William, op. cit., p.521-53; and Rowe, William T., *Hankow: Commerce and Society in a Chinese City, 1796-1889*, Stanford 1984 and idem, *Hankow: Conflict and Community in a Chinese City, 1796-1895*, Stanford 1989.

<sup>49</sup> Li Yu and Tang Bu, 'Floating Population among the Beijing Urban Individual Proprietors', in: SHXYJ 2 (1988), p.21.

<sup>50</sup> Interview with the Vice Chairman of the semi-official Individual Workers' Association of Wuhan's Hanzheng Street, May 24, 1992.

<sup>51</sup> Interview with Harbin social science researcher, July 22, 1991.

<sup>52</sup> One social scientist in Harbin alleged that, "If they repair shoes for three seasons (six months each), they can go home and build a two-story house" (interview, July 4, 1991). In Wuhan, social scientists maintained that a shoe repairer can make 3,000 to 5,000 a day (interview at the Wuhan Social Science Academy, May 22, 1992); in Tianjin a market official claimed their net income to be 600 to 700 a month (interview, June 22, 1992). The latter two figures would jibe with each other if the average cobbler worked half the year.

An Anhui cobbler came to Lanzhou four years ago and made some money, but he often feels Lanzhou's unhealthy trends and evil winds. Each man must fork over 45 yuan in industrial and commercial taxes, environmental protection fees and public security fees, but still can't buy tranquility. 'Those wearing badges on their sleeves . . . are always tossing out a bill at you for some fine, wanting eight or 10 yuan. You fish out the money, but if you're too slow, it's no good . . . They put you to great inconvenience . . . Heaven only knows where the fine money goes. When they come for shoe repairs, it's like a solicitation. If they can collect a little money from you, it will then be easier to manage your affairs'.<sup>53</sup>

Those who are fortunate have a positive state connection, via bosses linked to city officials. But for the bulk of these proprietors and those in their employ, their best hope for support comes just from native-place association. Failing that, though their earnings may be satisfactory enough, in their work and in their lives they float vulnerably and meaninglessly in a limbo on their own.

### 3.2 The Garment Trade

A different kind of life and workstyle belongs to the sweatshop stitchers from the south, sojourning away from home. Large concentrations populate Beijing and Tianjin, where they have lived and worked in 'Zhejiang Tailor Villages'. These settlements began to take form by 1983. Then, as people from Wenzhou's Leqing county, which specialises in this line of trade, discovered the wide open market for their products, more and more of them began to pour in.<sup>54</sup> Observers' figures vary widely, but by the early 1990's, there were certainly thousands if not tens of thousands of Jiangnan peasants sewing in the Beijing and Tianjin outskirts.<sup>55</sup>

By 1987, over one third of the legally licensed proprietors in the Beijing garment industry were ruralites, mainly from Jiangsu and Zhejiang, while as many as 90 percent of the employees were peasants from these areas.<sup>56</sup> Even in the late 1980's, these outsider tailors had begun to monopolise the trade.<sup>57</sup> By 1994, a foreign journalist estimated that people from Zhejiang may have cornered up to 80 percent of the Beijing wholesale market in medium and low-quality garments.<sup>58</sup> The exploitation from which many of them suffer is thus not a result of competition, but of having to occupy a low tier in a hierarchy of authority.

The exploitation manifests itself in the tailors' living and working conditions. Within a number of similar areas in the Beijing suburbs, these erstwhile peasants undertook long-term rentals, mostly in sections of the homes of local farmers.<sup>59</sup> There anywhere from four to seven individuals crammed together, both sexes together working and sleeping. It is common to find four or five sewing machines, four or five adults, at least one infant, and only two or three beds

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<sup>53</sup> Ge und Qu, op.cit., p.93-94.

<sup>54</sup> Liu Bingyi, 'Floating `City People' ', in: *Qing Chun* (Youth), 6, 1989, p.31.

<sup>55</sup> Zhu, op. cit., 22 wrote of a Zhejiang village of tailors of 20,000 in early 1992; but later that year, Nickerson, Dede, 'Migrant Workers Said `Flocking' to Beijing', in: *South China Morning Post*, Hong Kong, November 16, 1992, p.10 (reprinted in *FBIS*, November 16, 1992, p.10) claimed that Zhejiang village housed 200-300,000 people. An official from Tianjin's market office in the its Industrial and Administrative Management Bureau in a June 22, 1992 interview said that over 6,000 people from the south were processing clothing in that city.

<sup>56</sup> By way of comparison, in the catering trade, only 75 percent of the employees were outsiders; in other services, 60 percent, and in repairs, only 44 percent. Li Yu, op. cit., p.21, p.22. Li and Hu, op. cit., p.41 have the same figure of over 90 percent for employees, for 1989.

<sup>57</sup> Li and Hu, op. cit., p.358.

<sup>58</sup> Johnson, Marguerite, 'Bright Lights, Pink City', in: *Time*, February 21, 1994, p.47.

<sup>59</sup> Li and Hu, op. cit., p.356 state that 30 percent rent from city residents and 70 percent from local peasants.

within one ten-square meter room. A foreign journalist interviewed a 17-year-old in a clothing sweatshop in Beijing in late 1992, who told him:

We simply work and sleep. I've never seen the Forbidden City or the Summer Palace and probably never will. I'm here to earn money and after I do I'll go back.<sup>60</sup>

In these 'villages', a division of labour prevails, with production, retailing, and wholesaling simultaneously occurring. According to a study of Beijing's Fengtai district's Dahongmen township, the mass production process there had become quite sophisticated by the late 1980's, with processing, transport, and sales organised into a series of specialised flow processes.<sup>61</sup> Following hometown customs, each household either acted as a workshop, turning out a particular kind of product, or else concentrated on marketing.<sup>62</sup> Where several households co-operated, they probably came to town together, organised by the co-villager among them with the most capital or business acumen.

One researcher found proprietors employing five to 10 workers, who worked into the night at low and unpredictable wages,<sup>63</sup> while he himself might pocket from 200 to 300,000 yuan a year.<sup>64</sup> A more advanced form of exploitation involves layers of subordinates: What began as congeries of fellow townspeople, or at least fellow provincials, developed with time into mixed communities, or as one journalist characterised the situation, the formation of 'sub-ghettos'. In this case, teams of young women from Sichuan labour long hours at low wages for their Zhejiang bosses, stopping only to fall asleep on the floor beneath their sewing machines.<sup>65</sup>

As for their relations with the state, for a time they were nearly non-existent. To be legal, these workers were first to obtain a business license at home, and then to gain approval from the industrial and commercial administrative office in the city.<sup>66</sup> Many, however, operated without a license, and so escaped the tax collectors, who lacked the personnel and energy to track them down.<sup>67</sup> Moreover, much of their materials are purchased from their home areas, thereby eschewing state channels, their procurement dependent upon social networks linking city transients to those in their rural origins.

But in late 1995, officials in Beijing decided to destroy this massive 'village', sensing the extent to which it occupied a lawless world of its own, and sent down orders to bulldoze the ramshackle buildings of the tailors.<sup>68</sup> While freedom from connections with bureaucrats had allowed the garment workers to operate outside the state, ultimately in the China of the mid-1990's that state still wielded the power to bring them back within the orbit of its compulsion.

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<sup>60</sup> Nickerson, op. cit.

<sup>61</sup> Li and Hu, op. cit., p.358.

<sup>62</sup> Zhu, op. cit., p.22 and Liu Bingyi, op. cit., p.31.

<sup>63</sup> Nickerson, op. cit., gives a figure of 600 yuan a month. But many of the workers do not receive their full pay until the end of the year, and the amount is a function of how much of their output is actually sold. *South China Morning Post*, March 13, 1994, p.8-12, and reprinted in FBIS, March 15, 1994, p.43 states that, peasants in cottage industries earn about half the pay of state employees.

<sup>64</sup> February 14, 1994 interview; Li and Hu, op. cit., p.358.

<sup>65</sup> Kuhn, Anthony and Lincoln Kaye, 'Bursting at the Seams', in: *Far Eastern Economic Review*, Hong Kong, March 10, 1994, p.27.

<sup>66</sup> This information is taken from correspondence with a social scientist whose information came from a retailer for the state, September 10, 1992.

<sup>67</sup> Li and Hu, op. cit., p.358.

<sup>68</sup> See, 'Life and Death of Zhejiang Village', in: *China Perspectives*, 2, November/December 1995, p.12-25.

### 3.3 Beggars and Scrap Collectors

Not all beggars collect scraps; nor do all who collect waste materials also beg. But the reportage on these two types of floaters often lumps them together, in limning their lifestyle, in delineating their internal organisations and their external relationships, and in excoriating their modes of amassing income. Here is a typical example:

Some without real ability and learning can enter Shanghai to seek an income. Those beggars, scrap gleaners and collectors, waifs, mentally ill, and those disguised as street performers can all get a foothold in Shanghai by begging.<sup>69</sup>

These are the portion of the floating population popularly labelled the ‘mangliu’, those who are blindly wandering. Despite the frequent use of this term to refer to the floating population as a whole, an official source claims that in the late 1980’s and early 1990’s they constituted only a tiny fraction of the total mobile people.<sup>70</sup>

Since such vagabonds are on the move and perhaps more surreptitious than the average itinerant, their actual numbers must be slippery. Still, official and scholarly China attempts to count them.<sup>71</sup> For instance, in Guangzhou, a ‘garbage kingdom’ of 5,000 was reportedly living along the edge of the river in the late 1980’s. But another writer claimed the number of beggars had already reached over 12,000 in that city by 1985, and others had counted 30 to 40,000 vagrants of various sorts there by 1986.<sup>72</sup>

Just as their numbers are hard to calculate, their earnings are also the subject of inconsistent speculations. Some allege a Shanghai beggar can accumulate as much as 50 yuan by day and 100 by night,<sup>73</sup> but others believe that more like a tenth of that, only four to five yuan a day, is more the norm.<sup>74</sup>

Though researchers may come up with different sums of daily takings, a common opinion is that some such people can get wealthy almost overnight. This occurs as their scrap gathering shades into theft of such valuables as enterprise raw materials or electrical cables for resale at high profit. Others supposedly strike it rich just by panhandling, as they successfully prey on the sympathies of passersby or the guilt of touring Overseas Chinese, sometimes by intentionally making themselves appear disgustingly pitiful.<sup>75</sup> All of these rumours indicate the very low esteem in which the members of this trade are popularly held.

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<sup>69</sup> Wang Jianmin and Hu Qi, ‘Research on Policy Measures to Regulate the Structure of the Floating Population from Outside’, in: ZRK, 6, 1988, p.72; Liu Hantai, ‘Zhongguo di Qigai Qunluo’ (China’s Beggar Community), in: *Wenhui Yuekan* (Encounter Monthly), 10, Shanghai 1986, p.213; interviews with Guangzhou Urban Planning Automation Center, May 11, 1992, and with scholars at Wuhan Social Science Academy, May 22, 1992: and Li and Hu, op. cit., p.54.

<sup>70</sup> Li and Hu, op. cit., p.54: ‘In Guangzhou, together they account for three to four percent of the total floating population.’ But in *ibid.*, p.22 they cite a percentage of one to 10, and say that in a number of major cities, such as Beijing, Shanghai, Guangzhou, Wuhan, Chengdu, and Zhengzhou the numbers were rising as of 1989.

<sup>71</sup> Compare Gu Chu, ‘A Look at the Face of Big Cities’, ‘Mangliu’, in: *Shehui* (Society) (hereafter SH), 1, Shanghai 1990, p.8; Chai Junyong, ‘Floating Population: The Puzzle in Urban Management’, in: SH, 10, 1990, p.9; and Tang Xiaotian and Chen Donghu, ‘Forced Residence and Urban Society’s Criminals’, in: SH, 9, 1989, p.19.

<sup>72</sup> Zeng Jingwei, ‘Big Cities’ ‘Trash Collectors’, in: *Nan Feng Chuang* (Southern Window), 1, Guangzhou 1988, p.24; Liu Hantai, op. cit., p.197-8; and Li and Hu, op. cit., p.54, respectively.

<sup>73</sup> Gu Chu, op. cit., p.8; in: *CD*, July 30, 1991, 6 mentions the similar, if indeterminate figure of ‘tens of yuan per day.’

<sup>74</sup> Liu Hantai, op. cit., p.211.

<sup>75</sup> Feng Zelin and Li Tianxiang, ‘A Record of Meditations on the Phenomenon of Homeless, Wandering Beggars’, in: SH, 3, 1989, p.13-14; Liu Hantai, op. cit., p.214-15.



And surely, many scrap collectors are plainly subsisting in abject poverty. In a section of Beijing in the mid-1990's, a small group of Henanese picking through dirt for tidbits of paper, glass and metal got by on just one meal a day, and never took in more than six yuan daily by selling recyclable waste materials. They were living amidst the flies, mosquitoes and rats attracted by the heap of refuse they discarded after scavenging for scraps, with both stench and hepatitis running amuck, soon to be pushed out by city officials.<sup>76</sup>

Descriptions of the steeply hierarchical organisation that encases many of these vagrants harken back to historical prototypes. For the Qing dynasty, Republican-era Shanghai, and for the Taipei of the 1970's we have accounts of beggar bands, based on regional origin, and headed by autocratic bosses, who have themselves abandoned begging to rule over finely ranked subordinates arranged into specialised divisions of labour. These underlings daily bring home spoils to be shared, with the chief skimming off a major portion. In the Qing these chiefs co-operated with local officials in the maintenance of order; in the Republican period, their ties with persons of clout entailed paying protection money to the Green Gang.<sup>77</sup>

Portrayals of the present beggar bands and 'garbage kingdoms' follow this pattern very closely. They are complete with references to turf, gang warfare among competing regionally-based bands (and between local and outsider beggars), and chieftains who live in glory. These bosses lord it over their frequently shifting and rank-ordered underlings, who must placate them with booty, and over scavengers from outside the band, who must present them with gifts.<sup>78</sup> An independent pollster in Beijing, working with Horizon Market Research, undertook a survey of the city's beggars in 1994, and learned from it that nearly a third were members of tightly organised cartels.<sup>79</sup>

In current China, the analogue to the Green Gang appears to be the public security, who, in one account, accept bribes as a kind of tribute, and leave the gangs to their own devices, provided they cooperate, both in ensuring no troubling incidents occur at New Year's time, and in helping to solve big cases so the police can 'gain merit'.<sup>80</sup> This is the best kind of tie to the state such underclass people can manage.

But not all the beggars and trash collectors are cosily knitted into cliques or mutually protected by the police.<sup>81</sup> Stray individuals, operating on their own, lack the shield of the chief, as well as the seamy sinews sewing up gangs with the security officials of the state.<sup>82</sup>

In Nanjing, I encountered one such pair of paper scrap collectors, a father and his 28-year-old son from Hefei, Anhui's rural area, already in the city for two and a half years. The son, a

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<sup>76</sup> Magritte, N. A., 'Trashpickers' Urban Wasteland', in: *Eastern Express*, August 20-21, 1994, p.8.

<sup>77</sup> Schak, David C., *A Chinese Beggars' Den: Poverty and Mobility in an Underclass Community*, Pittsburgh 1988, pp.10-24, 66, 146-69 on the Qing and Taipei; Frederick Wakeman, Jr., *Shanghai Police, 1927-1929*, Berkeley 1995, and Perry, Elizabeth J., *Shanghai on Strike: The Politics of Chinese Labor*, Stanford 1993, 5, on Republican Shanghai. Schak found it impossible to get information on the leaders' outside ties to politicians in 1970's Taipei.

<sup>78</sup> Chai, op. cit., 9; *China Daily*, July 30, 1991, p.6; Zeng Jingwei, op. cit., p.24; Liu Hantai, op. cit., pp.198, 205-10; and interview, June 10, 1992, with a cadre from Tianjin's public security office.

<sup>79</sup> Lincoln Kaye, 'Conflicts of Interest', in: *Far Eastern Economic Review*, August 4, 1994, p.26.

<sup>80</sup> Shao Jun, 'The Great Army of Migrants is Shaking the Roots of the Public Ownership System', in: *Zhongguo zhi Chun* (China's Spring), 8, New York 1990, p.49-50.

<sup>81</sup> Zeng Jingwei, op. cit., p.25 says that, 'Those not in a gang are excluded and get low incomes.'

<sup>82</sup> Huang Ruide, 'The Next Generation Among the Floaters', in: *Nan Feng Chuang*, 9, 1989, p.21 writes of a garbage father collecting junk with his 12-year-old son, who does this job in lieu of school.

primary school graduate, was married with two children at home in Anhui, and was saving money to become a carpenter. But at that time, he had no money; his life, he lamented, was 'very bitter'. Their joint monthly net was a paltry 150 yuan, 1800 a year, and they were dwelling in a rented room, for 30 yuan a month. Though there were many people in Nanjing from Anhui, they had no contact with them, knew of them only to compete with them.

They had not registered for provisional residence (at 107 yuan per month) or for business (40 yuan per month), because the police, who told them to go back home to tend the fields, refused to sell the licenses to them. But without the certificates, they were highly vulnerable: their cart had been confiscated by the police. To save expenses, they ate no lunch, and yet they were toiling 10 hours a day, gathering bits of scrap. This way they could spend only 50 yuan per month and could send the other 100 home.

'Why not join a construction team?' I asked?

'One needs *guanxi* for that; but I don't know anyone', was the sorry rejoinder.<sup>83</sup>

This account, along with the foregoing material, illustrates that trash collectors have one of two types of encounter with the state: either, ensconced in a gang, they rely on their bosses, who make peace with officials on their behalf. Or else, isolated and anonymic, they pass their days uncertainly, at the constant mercy of marauding functionaries.

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<sup>83</sup> Interview on the street, Nanjing, May 20, 1992.

## 4 Conclusion

The working lives of China's urban peasants labouring in the internally quite disparate entrepreneurial sector cannot be described uniformly simply as a function of the instability of their work, as theorists of the dual labour market have attested. Rather, several different sorts of private entrepreneurs and their employees - market and service personnel, garment manufacturers, and vagrants - each operate in different labour markets. Each such market has its own dynamics, each variously driven by differing degrees of competitiveness, structured by disparate amounts of hierarchy, and enjoying varying levels of prestige. Moreover, the nature of the bonds that members of the separate occupations can fashion with representatives of the state also affects their working conditions.

At one extreme, for those ensconced in native-place networks who have mastered the market in their own specialised occupation, and who operate relatively autonomously (and there are surely specialists in the service sector of this sort), stability is high and exploitation low. But at the other extreme, where the prestige of the trade in question is low, the competition fierce, and the position of the specific practitioner paltry (as in the case of the unattached garbage gatherer or the low-ranked member of a beggar band), he/she becomes easy prey, and the exploitation and instability experienced rises accordingly.

Thus, though the pattern of network resources is distinctive in each trade - that is, the balance varies from trade to trade between those with state, those with informal, and those with no connections at all - the nature of the networks into which a particular worker is woven makes a profound difference - both for his/her treatment on the job and in the style of his/her life. The notion of a uniform 'secondary' labour market erases much of this crucial variation.