



## **Marketized Citizenship: The Experience of Construction Workers in Beijing**

**Speaker: Irene Pang, Ph.D. Candidate, Department of Sociology, Brown University**

**Chair: Dr. Ashwini Deshpande, Professor of Economics, Delhi School of Economic, Honorary Fellow, Institute of Chinese Studies**

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The presentation was an early attempt by the speaker to systematically present findings from over nine months of fieldwork conducted in Beijing between November 2013 and August 2014. The work in Beijing forms part of the speaker's dissertation project, which seeks to study, in comparative perspective, citizenship development vis-à-vis capitalist development in China and India. The presentation began with a theoretical justification of her dissertation project, and then proceeded to outline her findings in Beijing.

The speaker positions her dissertation project against the body of existing literature, ranging from the works of Joseph Schumpeter and Barrington Moore, to those of Theda Skocpol, Rueschemeyer, Stephens and Stephens, and Adam Przeworski that posit a causal link between capitalist development and the development of political, especially democratic, rights. Focusing on outliers to the capitalism-democracy correlation, namely China and India, the speaker shifts focus by examining not only the relationship between capitalist development and political form, but more broadly, the relationship between capitalist development and citizenship development, in order to understand, more holistically, the impact of capitalist development on social transformation. What the speaker hopes to achieve in her dissertation is not only to get a better sense of how the geography of citizenship spaces in China and India have changed through the shifting configuration of relations between the state, the market, and civil society in each country,

but also to look closely at the actual interactions, that is, the actual practices of citizenship within these spaces.

The presentation began with an exposition on T. H. Marshall's classic conceptualization of citizenship as comprising three types of rights – civil, political, and social, but moves for a more relational and dynamic understanding of citizenship. Arguing that citizenship cannot simply be understood as rights and entitlements defined by the law, but must rather be examined as Polanyi's notion of 'instituted process,' or more specifically, as the relations arising out of everyday practices and interactions between various actors in society, the speaker adopts Margaret Somers's definition of citizenship as 'a continuous relational triadic assemblage among the state, market, and civil society, in which the site and direction of power is the object of constant struggle'.

The adoption of a more relational and dynamic theoretical framework has important methodological implications. The speaker points out that since citizenship is not taken as a ready-made set of rights, but rather, as constructed through constant contestation, and insofar as the state, the market, and civil society cannot be taken as unified actors, the development of citizenship must be traced ethnographically through actual citizenship struggles by following the interactions between specific actors of the state, the market, and civil society who are involved in these struggles.

The speaker argued that the experience of internal migrants provides a good opportunity to observe citizenship struggles in action. As newcomers to the city, many internal migrants, especially low-income migrant workers, are treated as virtual foreigners within the cities of their own country. Indeed, internal migration is a phenomenon which is theoretically interesting for the purposes of this project not only because it is an integral component of capitalist development, but also because the process of internal migrants entering the city is fundamentally one of citizenship contestation and construction.

For the purposes of this project, the speaker picked Beijing and Delhi as field sites, not because they are representative of all or most other Chinese or Indian cities, but because, as capital cities,

both are politically significant, and both attract a large population of internal migrants, and, if anything, are more hostile to internal migrants, making the citizenship struggles of internal migrants more obvious and observable. Within the large population of internal migrants, the speaker chose to focus on the experience of construction workers for both practical and theoretical reasons. In China, internal migrants are clearly marked out by their household registration (*hukou*) status. An equivalent formal marker of migrant status does not exist in India. But since construction workers in both Beijing and Delhi happens to be mostly low-income internal migrants from neighboring provinces, focusing on construction workers makes use of the existence of a naturally-occurring, easily identifiable, and comparable group across the two countries. The construction sector is also theoretically interesting as a critical site of capitalist development, in that the building and expansion of the city both manifests, and is a manifestation of, capital's penchant for favoring urban spaces. The construction sector is also the largest employer of internal migrants in both China and India.

The speaker pointed out that construction workers in China are, by law, guaranteed an array of welfare entitlements and protections, including formal employment contracts, minimum wage protections, provisions for decent work hours and conditions, as well as enrollment in various social welfare programs. Furthermore, the construction industry is highly regulated, with labor laws clearly outlining labor rights and protections, as well as, standards in employment and subcontracting practices, and various government departments are charged with specific legal responsibilities in overseeing and monitoring different segments of the industry. In reality, however, most construction workers are unable to access or benefit from these legal entitlements and protections.

The speaker presented a case of a construction worker from Hebei, a province neighboring Beijing, who suffered a fall while working at a small, unregistered construction site and was paralyzed from his chest down, and who was struggling to locate a responsible party from whom to seek compensation. By following the son of the worker as he was being redirected from one government office to another, and as he attempted to navigate through the chain of command from the petty subcontractors to the developer of the site to the owner of the strip of land on which construction work took place, and finally, as he sought help from multiple legal aid offices

which rejected his case for one reason or another, the speaker was able to observe and trace the actual interactions between the worker's son as a claim-making citizen and other actors of the state, the market, and civil society, and thus map out the rules and boundaries of the space of citizenship contestation.

While the speaker pointed out that this particular case is an anomalous one in that the specific construction site on which the accident occurred lay, unfortunately, within the interstices of the juridical boundaries of several government departments and the owner of the strip of land, which happened to be a large, state-owned enterprise, such that it was unusually difficult for the injured worker to hold any one party accountable, the speaker also argued that the difficulties experienced by the injured worker and his son in making claims as citizens were not exceptional or specific to this one particular case, but rather, ideal-typical of the experience of many construction workers in Beijing in the context of China's transition from a regime of communal citizenship to a regime of marketized citizenship.

The speaker argued that the marketization of citizenship is a manifestation of larger macro shifts in societal structure in China. Prior to market reforms, as analytically distinct institutions, the state, the market, and society nonetheless co-existed in functional unity under the *hukou* system through communes in rural areas and the work unit in urban areas. The trinitarian configuration of the state, the market, and society – as three in one and one in three – subsumed the differentiation between the private and the public, such that individual personhood, and with it, the claim to citizenship, was instituted in membership in a collectivity. Market reforms initiated the institutional differentiation between the state, the market, and civil society as the space in between the former two, and, through the breakdown of the *hukou* system, re-introduced the possibility of the private individual. The collapse of the work unit and agricultural decollectivization untied rural peasants and urban workers from the constraints of the collectives and the planned economy, allowing them to compete in increasingly open labor markets as individuals.

More specifically, the speaker argued that the marketization of citizenship is manifested in four ways. Firstly, ever since the introduction of market reforms, the Chinese state has increasingly

outsourced the provision of welfare to the market, such that what used to be provided and distributed through the state, such as employment and housing, is now provided by the market. Furthermore, since welfare payment standards are so meagre and lag so far behind rates of inflation, many Chinese citizens, including many construction workers, prefer receiving cash payments in the form of higher wages and making their own private arrangements regarding healthcare, old age pension, etc, instead of paying into social welfare schemes. Secondly, the marketization of citizenship is also manifested in the indirect outsourcing of welfare provisions through the *hukou* system by way of rural-urban migration. While market reforms have encouraged rural-urban migration, *hukou* reforms have been relatively slow to cater to the growing needs of internal migrants in cities, such that their access to welfare provisions in the city is still institutionally limited. As a result, construction workers often have to purchase such welfare entitlements as healthcare privately on the market. Thirdly, internal migrant workers' ability to make claims upon the state is becoming increasingly dependent on their market position. Many social welfare programs have adopted corporatist models, such that the expenses of the provision of welfare entitlements are borne not primarily by the state, as they were prior to market reforms, but are now shared between private employers on the market, the state, and the citizen. This reflects a shift in the claim to citizenship rights from being justified by membership in the state to being conditional upon market participation. In fact, access to many types of social insurance have become hinged on proof of formal, contractual worker identity. Fourthly, there is a re-routing of claims-making via the market. For instance, whereas labor disputes would have been resolved internally within the commune in rural areas or within the work unit in urban areas during the pre-reform era, more and more labor disputes are now being settled in courts. In other words, where claims used to be made by citizens directly to the state within the realm of the state, they are now made by citizens to market actors (employers) under provisions granted by the state (labor laws).

The speaker further points out that construction workers' formal access to rights is compromised not only by the shrinkage in the basket of welfare entitlements and benefits now provided by the state, but also by problems of informality. Indeed, Weber has pointed to the tendency of capital towards rationalization, and market reforms in China has observably been accompanied by legal and institutional reforms aimed to regulate and standardize market mechanisms. Despite these

tendencies towards rational-legal bureaucratization, however, the persistence of informality poses serious challenges for construction workers in becoming full citizens. Indeed, much of the operation of the construction sector in China, from the processes of subcontracting to the recruitment of labor, continues to rely on informal mechanisms. In that sense, to the extent that construction workers' existences remain within the realm of the informal, where the legal-bureaucratic institutions of the state fail to take hold, construction workers often end up being excluded from the benefits and protections offered by the state to citizens.

The speaker argues that the persistence of informality is not necessarily an organic market phenomenon. One case of illustration is when a group of construction workers in Beijing demanded to join the union, so that they could seek help from the union to bargain on their behalf for formal, written contracts. The construction workers were denied membership to the union on the grounds that they were not, legally, 'workers'. Under labor laws in China, 'worker' status is predicated on the signing of formal, written contracts, which formalizes the labor relation between employer and employee, as well as the receipt of wages. Since the construction workers did not sign a formal, written contract with whoever offered them their jobs, which meant that only a *de facto* labor relation existed between them and their employer, and more importantly, since they were not hired directly by the construction firm, but rather, by a subcontractor, the monetary returns which they received for their labor fell not into the legal classification of 'wages', but into a separate legal classification of 'remuneration for labor', thus precluding their 'worker' status. The speaker points out that the existence of such institutionalized classifications of informality suggests that the persistence of informality and pockets of citizenship exclusion not only emerges with state inaction, but can in fact be constructed through state action.

In her commentary on the presentation, the chair, Ashwini Deshpande cautioned against an oversimplified understanding of what the speaker has formulated as the marketization of citizenship. She argued that, insofar as the market was subsumed within the realm of the state in pre-reform China, any movement away from that model of societal arrangement might be seen as a movement towards the marketization. Indeed, to the extent that there is no way to move further towards a more state-dominated model, 'marketization' amounts to a tautological

characterization of social transformation in China. As such, Deshpande urged the speaker to rethink the conventional dichotomy of the state and the market vis-à-vis the provision of welfare in the context of China. She also suggested that while the question of inclusivity of citizenship might be aligned along the fault line between the state and the market, there are other fault lines, such as lines of ethnicity, which might be considered.

There were members of the audience who raised empirical questions of clarifications. Other more theoretical questions were raised and discussed in detail with regards to issues of worker agency, both in terms of participation in the market and in terms of propensity towards resistance; whether mobility, both geographical and occupational, benefits workers in terms of bargaining and negotiating their rights; the space for and role of civil society; issues of state capacity and political will in dealing with worker grievances; the relevance of the party; the legal turn and the conceptualization of rights and rightful resistance.

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