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Familial Politics of Production: Household Production in China

By

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Abstract

Familial Politics of Production: Household Production in China

by

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This dissertation elaborates a new type of factory regime---Familial Household Production---in China based on a study of Baigou bag industry. Not only household production is different from the other types of well-known production systems of SOEs (State Owned Enterprises), TVEs (Township and Village Enterprises) and FEs (Foreign Enterprises) due to its rural familial characteristics, but also what further distinguishes them is that household production always exists in a context of flexible industrial district which simultaneously promotes and reproduces familial household production. There are three sub-types of the familial household production regime: 1) patriarchal factory regime is a form of “government by the family” in which the small household factory owner relies exclusively on his family members as labor force and secures absolute loyalty from them; 2) paternalistic factory regime is a form of “government through the family” in which the median sized household factory owner mobilizes his own families and his fellow villager-worker families for self-discipline through each family and offers good welfare in exchange for workers’ long-term loyalty; 3) patrimonial factory regime is a form of “government for the family” in which the big household factory owner employs workers from a job agent’s rural community and decentralizes his power to his family members for factory operation, resulting in a layered loyalty structure. The easy contraction and expansion of household factories and their corresponding rapid adoption of different sub-types of familial factory regimes enhances the flexibility of both household production and the entire industrial district.

Preface

I have always heard of Baigou Township in Hebei Province as the biggest Northern Chinese bag center and how when you buy a bag in China there is 1/3 chance that it is produced in Baigou. My real encounter with Baigou began in 2005 when I served as a student volunteer at Baigou Migrant Worker Night School, a program initiated by Tsinghua University to educate migrant workers of labor law¹. On my first trip to Baigou, I saw many natural villages with green fields and Baigou was really a pretty small township surrounded by these villages. What surprised me most then was that there stood a spectacular bag exhibition hall in the heart of Baigou township that showcased millions of bag samples while I found only very few factories in the township. Who produced for such a huge market?

My puzzle was gradually resolved through my interactions with the migrant workers, their employers as well as local officials at the night school. In Baigou, the real production is carried out in rural households rather than in formal factories. Over 65% of the household production takes place in the natural villages surrounding Baigou whereas the rest takes place in the township industrial park which is also built as traditional Northern Chinese rural households. All the aspects of household production are familialized: workers are recruited through familial/community ties; workers and employers work, eat and live together in the rural household with a reconstructed familial relationship; even market and political relationship is also familialized. This production system is entirely different from other forms of production in China, however it has remained invisible and inaccessible due to the double barrier of rural villages and households.

Fortunately my research interest in household production grew along with my connections with local household factory owners, workers and local officials. From 2005 on, I have made much effort to further my understanding of household production in Baigou. In 2007 I entered 60 (half on the township and half in the villages) household factories to carry out in-depth interviews with factory owners and workers; in 2010 I visited over 200 households in Gaoqiao village (the origin of Baigou bag industry) and conducted extensive interviews with factory owners/managers, workers and local villagers. Finally, between July 2010 and July 2011 I was able to delve into three typical household factories for participant observation. This 12 months fieldwork was also coupled with in-depth interviews with factory owners/managers, workers, and local officials. Besides the three main factories, moreover, publications on Baigou, government files and official statistics are used to supplement my qualitative data.

This dissertation is mainly built on the three case studies and other data mentioned above. The three factories were chosen carefully to display not only the general features of Baigou household production but also its internal variations. Each factory represents a generic form of familial household production that seems to have a correlation with its scale. I term these three factories patriarchal, paternalistic and patrimonial respectively, based on their market relations, political relations, organization of work, and reproduction of labor. Here reproduction of labor has a double meaning: on the one hand, it refers to the maintenance of the productive worker on a day-to-day basis; on the other hand, it refers to the renewal process in which a future labor

¹ For more information about this program, please see Lina Hu. 2007. "Doing Public Sociology in the Field—A Strong Sociological Intervention Project in China". *The American Sociologist*; Volume 38, Number 3: 262-287 and Lina Hu. 2009. "Integrating the Four Sociologies: The "Baigou Project" in China". *Handbook of Public Sociology*. Rowman & Littlefield Publishers: 245-262

force is created, that is, the rearing of children of the productive workers (Burawoy, 1976). Based on the three case studies and supplemental data from other sources, most of the household factories in Baigou cover the daily maintenance of the productive workers by providing them with free food and accommodation, whereas the coverage of renewal (the expenses of rearing children) of the productive workers is contingent on the type of factories. Hence “reproduction of labor” in this dissertation implies the coverage of workers’ maintenance and emphasizes the renewal process.

In Mr. Su’s (to protect the privacy of the research subjects, I will use pseudonyms throughout the dissertation) small patriarchal household factory, there is limited capital accumulation and limited access to market and political relations. The work system there is very similar to the early English putting-out system, depending exclusively on family members as workers. Organization of work is realized through “government by the family” (Burawoy, 1985: 98), with the patriarch Mr. Su controlling all household resources and family members rendering absolute loyalty to him. Reproduction is a right to all household members, and they enjoy what little common wealth there is as a family.

In Mr. Ma’s median sized paternalistic household factory, there is stable capital investment and stable access to the market and political elites. The 20 or so workers are mostly Mr. Ma’s family members or fellow villagers who are often recruited as a family unit to the factory. A particular paternalistic factory regime emerges given the absorption of worker families that depend on a specific employer---Mr. Ma. Under paternalistic factory regime, power is centralized but control is done through the family rather than by the family, with workers rendering long term and deep loyalty to the factory owner. Mr. Ma shares his properties and provides good welfare provisions for the workers so workers come to identify with Mr. Ma’s interest and fortune, even though reproduction rights are still limited to Mr. Ma’s family members.

In Mr. Li’s big patrimonial household factory growing capital accumulation and expanding access to the market and political relations shapes a system that can best be characterized as a patrimonial factory regime. The 100 or so workers are mostly young female workers recruited from rural families through a job agent based on an “elite pact” (Adams, 2004: 8). Mr. Li engages primarily in market and political relation building, while day-to-day management of the factory is relegated to his family members. Moreover, in the specific production domain, power is further decentralized to outside managers and group leaders, giving rise to a layered loyalty structure. Such a layered structure is also mirrored in the reproduction of labor where there is a privilege system based on people’s statuses in the household, with the right to children rearing restricted to family members, senior workers and skilled workers.

Furthermore, these different scales of factories constitute Baigou as an industrial district that is different from the other well-known industrial districts. In this dissertation, I will address these different types of household production systems as well as their relationship in the industrial district, showing how the easy contraction and expansion of household production promotes the flexibility of the industrial district as a whole.

Chapter One

Household Production and its Industrial District

There is in no dispute that China has achieved tremendous economic success in recent decades. However, there is more room for debate as to who actually “produced” China’s economic miracle. Existing research has stressed the significant contributions made by three production systems---SOEs (state owned enterprises), TVEs (township and village enterprises) and FEs (foreign enterprises). In my dissertation project, I propose that there is another equally important type of production system---HP (household production) ---which differs dramatically from the three well-known production systems, but contributes no less to China’s economic growth.

Before discussing the household production system, I will first outline the core aspects of market relations, political relations, the organization of work and the (re)production of labor of SOEs, TVEs and FEs. The household production system is dramatically different from these other, better known types of production systems.

SOEs are owned and operated by the state. They are concentrated in Chinese urban centers and they employ urban citizens as workers. Both supply and demand is centrally planned and controlled by the state so competition is rare and state subsidies are huge (Granick, 1990). Party rule penetrates factory practices and the union is usually a channel of party control. Workers’ activities are channeled “into officially ‘chartered associations’ that are an extension of the government bureaucracy. The state seeks to move away from confrontation with politically mobilized workers by repressing independent organization and conceding to some of labor’s demands. In turn, workers are ‘represented’ in official unions by coopted leaders that negotiate directly with government ministries” (Walder, 1986: 86).

Each SOE can be seen as a small society in itself because its “Danwei” system encompasses both the organization of work and the reproduction of workers. Walder terms this system “Communist Neo-Traditionalism”. He argues that state initiatives created a network society with pervasive personalization of party rule and workers who display “a stable pattern of tacit acceptance and active cooperation for the regime that no amount of political terror, coercion, or indoctrination can even begin to provide” (Walder, 249). Under such a system, supervisors controlled a variety of rewards and punishments within and beyond the workplace and workers offered gift, personal fealty and ideological correctness etc. in exchange for access to housing, transfers, sick leave and other privileges. The iron rice bowl (Lee, 2007; Walder, 1986) secures not only the worker’s work and life in the factory but also guarantees workers’ offspring’s education, health care, and in many cases entry into the same factory (Shirk, 1981). Walder’s study is about SOEs under the planned economy, what about SOEs after the reform? Zhenglin You (You, 2000) took up the question and studied the internal stratification and mobility system in a state owned enterprise after the reform. He concluded that though market mechanism was introduced to certain

extent, the principle of organizing work and reproduction of labor in SOEs has remained the same.

You focused on the following aspects to compare SOEs with the pre-reform periods. First, the organization structure changes from unitary functional form to multidivisional form, that is, under planned economy SOEs were not independent economic unit and enjoyed almost no autonomy whereas after the reform central government decentralized the economic power to the SOEs which have to come up with strategies to survive in market competition after fulfilling state imposed economic tasks. Second, occupations within the SOE are further classified and correspond to a more nuanced way of determining wages, bonuses and welfare. The real earnings difference between cadres and workers becomes huge not only inside the factory but more so outside factory because many cadres have channels to get informal earnings. Third, upward mobility is correlated to work type change. A typical ladder up is passing through direct producer to assisting producer then to technician/manager and high rank manager. Although the pace of work type change accelerates after the reform, overall the upward mobility is quite limited. These changes actually deepen workers' dependence on the cadres for that it is the cadres that now directly decide whether a worker will get better pay and higher status. The communist neo-traditionalism still holds even after the reform (You, 2000).

TVEs are defined as townships and villages owned enterprises. They were born in rural areas, especially in advanced rural regions, with Yangtze River Delta being the strongest development representative. Much literature on TVEs has debated on the property rights and the institutional drive of TVEs. While many scholars support that TVEs are an institutional innovation that combines collective ownership with market discipline and redistributive orientation, and that the local state is the driving force behind the rapid development (Byrd and Lin, 1990; Oi, 1992; Zhang, 1999), others claim that many TVEs are just "red hat", that is, private firms registered as collective "in order to gain access to factor resources, bank loans, markets, political protection, and tax subsidies and to circumvent regulatory hurdles that discriminated against private firms" (Nee 1992:17). Those who view TVEs as more privately-owned than collectively-owned point to the market forces rather than the local state as the key driving force. Although the practice of "buy a red hat" does exist in some places, many empirical local-level studies of TVEs still suggest that TVEs are collective-oriented and local state is a central player in operating industrial enterprises with a redistributive feature.

A systematic research project about Chinese TVEs is done by the Institute of Sociology and Anthropology at Peking University in the early 1990s. Based on 32 in-depth TVE case studies, they offered an overview of the development history and mechanism of TVEs. Since many TVEs are directly established and owned by local state, the local state became the main sponsors of the TVEs and in turn these TVEs are the important source of revenue for the local state. The supply and demand comes mostly from the market while some TVEs maintain a cooperative relationship with SOEs through subcontracting (see also Christianen, 1992). Central government maintains indirect and macro control of TVEs whereas local state exercise direct

control and operation of TVEs. Party branches are also present in the TVEs and the local officials and factory managers overlap to a great extent. The majority of the TVE labor force comes from local or nearby townships and villages, so there is a strong sense of collective orientation towards the organization of work while reproduction of labor is also largely township and village based. Nonetheless, because TVEs also combine a market discipline, employment, wage and social welfare is much more flexible than SOEs: hiring is locals first but some outsiders are also taken and firing is allowed but rare; hourly-rate system and piece-rate system could be chosen to fit specific conditions and other economic incentive might co-exist; social welfare is usually dependent on the profitability of each enterprise (Ma, Wang, Liu. 1994). Unfortunately TVEs declined sharply after the 1990s due to both economic and political reasons (e.g. the aftermath of Tiananmen Square protests and the corresponding policy changes towards TVEs), and most of those survived and strived have been transformed into private enterprises.

FEs are established and owned by foreign capital. Most FEs concentrate in the coastal-southern Chinese cities and many are export-oriented, utilizing cheap raw materials and labor in China and selling products to overseas market. Residing in special economic zones and “open areas”, intervention from central government in FEs is trivial while relationship (Guanxi) with the clientalist local state is more prominent. In a similar fashion, Hsing and Lee documented how the Guanxi between foreign investors and the clientalist local state enabled the boom of the FEs and their economic growth through provision of financial support, tax and fee reductions, exemptions for license and social welfare contribution, etc. in Taiwan and Hongkong respectively, two of the most important players in the FEs (Hsing, 1998; Lee, 1998).

At the same time, the local state also turned a blind eye to the actual production conditions of these FEs. Based on long-term ethnographic work, scholars of South China factories and workers have reached a consensus that there is a despotic labor control system in the FEs (Pun, 2005; Lee, 1998). Tens of thousands of young migrant female workers constitute the main stream of the FE work troop, and they are subjected to despotic control of the management. Pun demonstrated how disciplinary techniques are exercised over workers’ bodies in the workplace, transforming undesirable rural female bodies into productive bodies through microphysics of power. For example, placing a body on the line so that it became a cog in a machine; measuring and analyzing bodily movement through Taylorist methods and apply it to the assembly line; instilling the sense of time through the rigid timetable; institutionalizing everyday life through factory codes; creating a panopticon by virtue of the electronic eye, and so forth (Pun, 2005). Lee in addition points out that “management manipulated the gender hierarchy embedded in localistic networks to exert additional control over the majority of the young single women” (Lee, 1995: 385). Though workers’ short term subsistence is realized in the dormitory labor regime (Pun and Smith, 2007) while they work in the city, their long term reproduction of labor is only possible back at their rural homes given barrier of China’s household registration (hukou) system and their secondary citizen status (Solinger, 1999, Chan, 2001).

Besides SOEs, TVEs, and FEs, however, there is another equally important type of production system---household production---which differs dramatically from the three well-known production systems in terms of region, property relation, market relations, political relations, organization of work, labor market, reproduction of labor, etc., but which contributes no less than the other production systems to China's economic growth. Household production is prevalent in rural hinterlands in China, especially in the Huabei region. Baigou Township in Hebei Province is a fair representative of the household production system in China.

Baigou is a small, rural township affiliated to Baoding City, Hebei Province, China. As a remote rural hinterland without any advantages such as natural resources or being on a transportation network, it remained one of the poorest areas in the nation until 1970s. Facing the devastating poverty, some village leaders from Gaoqiao Village (a small village affiliated to Baigou) boldly started mobilizing their fellow villagers to make bags (including suitcases, school bags, women bags, purses and wallets, etc.) for sale to other parts of China. It was a risky business given the anti-capitalism movement at the time, but profit was generated and villagers were greatly encouraged. Since then a wave of bag making spread rapidly to other villages, and in no time, bag production extended beyond Baigou Township to involve 4 adjacent counties, a total of 56 towns and over 3000 villages. In locals' own words, "every household is a factory". In the beginning, it was the villagers themselves engaged in bag production in their own households, as long as they could afford sewing machines with their small household savings. Soon they began recruiting migrant workers from different parts of China to work with them in their households. A self-organized street market for bag products emerged, and gradually relevant markets serving bag production (e.g. markets that import materials for making bags to Baigou) were established. Seeing the blossoming of bag industry, local government organized the building of a large-scale bag exhibition hall in the center of the township, and initiated the idea of an industrial park. Today, Baigou is the largest bag production base in northern China. In its heyday, there were over 2000 factories with approximately 40,000 migrant workers from 11 provinces of China in Baigou Township alone, and overall there are now over 10,000 factories (many of which are also run by non-locals) with 100,000 migrant workers engaged in the bag industry in Baigou region. In 2005, Baigou Township's bag production value reached 2.2 billion RMB (300 million dollars) and its bag products sell not only to 13 provinces in China with a domestic market share of 35%, but also export to more than 100 countries in the world¹.

Compared with SOEs, TVEs and FEs, household production stands out as a unique production system in terms of region, market relation, political relation, organization of work, and reproduction of labor. In regards to region, SOEs concentrate in urban centers; TVEs concentrate in advanced rural regions, especially the Yangtze River Delta; FEs concentrate in coastal and Southern China while household production reside mostly in rural hinterlands. In regard to market relations, SOEs' are owned and operated by the state, with supply and demand both from the

¹ Source of information: <http://www.bdlvj.gov.cn/gaikuang/gaobeidian/g1.asp>

state plan; TVEs' are usually owned by township or village whose supply and demand is market-driven; FEs' belong to foreign capital that uses cheap Chinese material and labor for production and sells to overseas market while household production' capital comes from small household savings. In regards to political relations, SOEs are controlled directly by the state; TVEs deal more with the local state which usually act as their sponsors; Neither central or local state intervene much in FEs' work process but FEs maintain a good relationship with clientalist local state in exchange for favorable conditions while household production maintain relationships with local officials through individualized familial relationship or friendships. In regards to the organization of work, SOEs' operation has been characterized by communist neo-traditionalism---organized worker dependence on their enterprise and leaders; TVEs' operation is collectively oriented; FEs' operation has been seen as despotism while household production' operation is through a reconstructed familial arrangement. In regards to reproduction of labor, SOEs' workers are urban citizens whose reproduction of labor is realized in Danwei; TVEs' workers are local villagers whose reproduction of labor is village-based; FEs' workers are rural migrants who work in urban cities but whose reproduction of labor is done in workers' own rural homes while household production' workers are mainly rural migrants who work in another rural area while reproduction of labor is determined by the workers' closeness to the owner family.

Why Household Production? Why Baigou?

Now that we can see household production is different from other types of production systems in China, then an interesting question is: why household production? And more specifically, why can't SOEs, TVEs, and FEs produce bags in the way Baigou does? In other words, what is the comparative advantage of Baigou?

As for SOEs, from the beginning SOEs are designed by the state to concentrate in pillar industries such as steel, gas, electricity, to name just a few. There is substantial investment in expansive machines and tools therefore it's not easy for SOEs to switch from industry to industry or from one product to a totally different product. Moreover, because of the heavy bureaucratic tradition, much of the work organization remains relatively inflexible. As for TVEs, they tend to engage more in agriculture-related products, local specialty products or small complimentary industries that often show a path-dependency given their geographic or social-economic background. In addition, because TVEs are usually collectively owned with a social bond between local state and local employees, changes in products or personnel are also less flexible. As for FEs, they are export-oriented and may produce bags or other labor-intensive products such as electronics, toys and garments, etc. But each of these FEs are mostly independent from each other and produce only according to instructions from overseas therefore they cater little to the versatile Chinese domestic market or produce a single product to a comparable scale in Baigou.

In contrast, Baigou's success lies in its industrial district that allows the numerous small, single firms to agglomerate into what amounts to a very flexible huge

enterprise that is the industrial district. Furthermore, each of these individual enterprises has a form of regulation – familial factory regimes - that allows rapid expansion and contraction. It is the flexibility of the industrial district afforded by the familial household production that advantages household production over SOEs, TVEs and FEs in industries such as bags, shoes, garments, and so forth.

Baigou Industrial District

Baigou industrial district is essential for the survival and reproduction of the household production system. It is also distinctive precisely because it is based on household production. While many scholars claim that successful industrial district is dependent on social order of industrial district, the interactions among firms, the sharing of infrastructure and labor, face to face contact, flexibility, and so forth, Baigou industrial district stands out as a unique industrial district due to its root in household production. While some of the success factors are also important in Baigou industrial district such as the sharing of infrastructure and flexibility, they are usually achieved in a different manner compared to the other industrial district.

The idea of industrial district comes from Alfred Marshall who first applied it to Lancashire, Sheffield and other famous industrial districts of the nineteenth century. For Marshall, the concept of external economies is crucial for the formation and development of industrial district. “External economies include all those common benefits and facilities which are available to all the firms of a particular industry...with the expansion of an industry, many types of facilities start pouring in to satisfy its requirements. For example, road links, banking facilities, supply of electricity, transport companies, machine repairing workshops and companies utilizing the waste material, etc. come into existence. All the firms of the industry reap the benefits from such companies without any discrimination. These benefits serve as economies in their cost of production and these economies are called external economies.” (Marshall, 1961: 201)

In addition to the benefits from sharing the costs of common external resources including infrastructure, information, labor and services, etc., Piore and Sabel went beyond the concept of external economies to understand these old and craftsmanship based industrial districts by three mutually dependent characteristics. “The first, most obvious characteristic was the districts’ relation to the market. The districts produced a wide range of products for the highly differentiated regional markets at home and abroad; but-more important-they also constantly altered the goods, partly in response to changing tastes, partly to change tastes, in order to open new markets...this relation to the market encouraged and depended upon the second and third characteristics of the industrial districts: their flexible use of increasingly productive, widely applicable technology and their creation of regional institutions that balanced cooperation and competition among firms, so as to encourage permanent innovation” (Piore and Sabel, 1984: 29).

When speaking of successful industrial districts today, two models come to people’s mind naturally----the first being the “Third Italy” whose revival of

craftsmanship conquers the specialty/luxury market worldwide and the second being Silicon Valley whose computer-related industry pioneers the modern information era.

In their treatment of the reemergence of craft paradigm amidst the crisis exemplified by the successful “Third Italy”, Piore and Sabel placed the importance of flexibility at the heart of the analysis. In the “Third Italy”, there is a revitalization of the old industrial areas characterized by craftsmanship. Take the textile industry for instance. The textile district of Prato now creates new products and processes to satisfy the changing market through constant technological innovation and subcontracting rearrangement by the “impannatore” (an impannatore is a fashion designer and production organizer who coalesce small specialized firms into a network of production), and a web of local banks, trade unions and artists’ and industrialists’ associations collaborate to devise a computer-based technology to increase the efficiency of production and flexibility of firm links (Piore and Sabel, 1984).

Building extensively on the social-network framework, Saxenian turned her eye to a different type of successful industrial district in the contemporary United States--- Silicon Valley. In Silicon Valley, the industrial district is characterized by its high-technology and computer-related products. Its regional culture encourages risk-taking and venture capital plays a significant role in supporting start-up companies. The dense social network facilitated by institutions like Stanford University encourages open labor market with high mobility, collective learning and flexible adjustment among different specialists, and horizontal communication between firms, suppliers, customers and other institutions as well as within the firms. Competition and cooperation co-exist and are both embedded in the community, making the whole industry more adaptable and flexible (Saxenian, 1999).

In a comparative study of Silicon Valley and Route 128, Saxenian considered the concept of “external economies” as insufficient for understanding the dynamics of an industrial system, and in her case, for understanding the different performance by the more successful Silicon Valley and the less successful Route 128. Because the “external economy” theory views the industrial district as an agglomeration of capital, skill, infrastructure, etc. in a certain location that is outside of the individual firm, it fails to capture the institutional and social relationships between the firms as well as the firms’ ability to react to the market.

To systematically examine a regional industrial district, Saxenian proposes to look at three interconnected key dimensions: local culture and institutions; industrial structure, and internal firm organization. According to Saxenian, “regional institutions include public and private organizations such as universities, business associations, and local government, as well as the many less formal hobbyist clubs, professional societies, and other forums that create and sustain regular patterns of social interaction in a region. These institutions shape and are shaped by the local culture, the shared understandings and practices that unify a community and define everything from labor market behavior to attitudes toward risk-taking...industrial structure refers to the social division of labor---the degree of vertical integration---as well as to the extent and nature of links between customers, suppliers, and competitors in a

particular sector or complex of related sectors...internal firm organization, includes the degree of hierarchical or horizontal coordination, centralization or decentralization, and the allocation of responsibilities and specialization of tasks within the firm” (Saxenian 1999:7).

Overall, the external economies serve as the foundation of an industrial district though it might not be the sufficient condition for success. Scholars of industrial district seem to stress several key factors leading to success: innovation; social network, local institutions; etc. but above all flexibility. Flexibility becomes the ultimate expression of a successful industrial district in that technological innovation should be flexible; products should be flexible; social network should be flexible; work arrangement should be flexible; and so forth. Flexibility seems to be the key to success.

In Baigou, despite the fact that capital is small and comes from household savings rather than financial institutions, technology and skill level is low and products are targeted at lower-end market, the external economies such as common access to market, supplies, local state, shared infrastructures etc. facilitated by proximity of enterprises is similar to other industrial district. For instance, the regional bag exhibition hall is the central bag sales market that connects tens of thousands of household production units. Supplies come from two main sources: local supply market that imports materials from other parts of China and distant supply chain connected to Guangdong material sellers; local state initiated the industrial park, regulated the market, promoted brand strategy and helped the industrial district survive crises; and so forth.

However, Baigou industrial district is also distinctive because it is based on household production which constitutes a different type of flexibility. In contrast to the flexible technological innovation and inner-industrial district social networks that characterize the “Third Italy” and Silicon Valley, the flexibility of Baigou industrial district is achieved by the easy expansion (scaling up) or contraction (scaling down) of its familial household production system. The interchangeability between the niches in the industrial district and the adoption of different factory regimes based on the niche is a constant theme in the industrial district. Such flexibility is made possible by both the configuration of the industrial district and the arrangement of familial household production.

In addition to the common access to the market, supplies, and infrastructures, etc. Baigou industrial district also provides conditions that allows for the flexibility in the scale of the enterprises. Such conditions include easy entry into the bag industry given the small capital requirement and the almost-zero taxes and fees in the rural households; the convenient movement between the rural households in the villages and the Township industrial park which are built as bigger households to accommodate more people; the existence of job agents who help factory owners recruit workers through his own familial/community ties should the factory owner need to expand his work force beyond his own family/community; the different levels of merchants, traders, subcontractors who are specialized in bridging different levels of factories to different levels of markets; the different combination of sales channels

beyond the local bag market; the multiple ways of cooperation between different factories; and the hierarchical competition that stress competition among the same level of factories rather than cross different levels of factories so that smaller factories can survive well without being defeated by bigger factories. All these conditions facilitate the expansion and contraction of enterprises, promoting flexibility of the industrial district.

Another important condition for flexibility lies in the familial household production arrangement. The social network of these household production units is often more flexible beyond the industrial district than within the industrial district for that they can recruit labor through familial and community ties elsewhere when scaling up and shut up production and go back to their rural villages when scaling down. Moreover, the family-based regime secures loyalty that makes it possible for members to accept the contraction and expansion of the enterprises. And because each household production unit is familial-centered, it generates autonomy of its own therefore merging with or buying other enterprises is almost alien. This feature is also reflected in the way of cooperation between factories---most factories only cooperate with factories that share familial or community ties with them. It is precisely the familial household production that provides the underlying flexibility of the Baigou industrial district as a whole.

Familial Politics of Production

Developing Marx and revising Braverman's focus only on the objective side of the labor process, Burawoy brings back the subjective side of the labor process and distinguishes the political dimension (production of social relations) and the ideological dimension (production of an experience of those relations) from the economic dimension (production of things) of work (Burawoy, 1985:39). According to Burawoy, there is politics outside of state and there is a corresponding relationship between macro political economics and micro politics on the shop floor. The concept of factory regime is proposed to understand the politics in production and its connection to the macro political economics. "The process of production is seen to have two political moments: first, the organization of work has political and ideological *effects*---that is, as men and women transform raw materials into useful things, they also reproduce particular social relations as well as an experience of those relations. Second, alongside the organization of work---that is, the *labour process*---there are distinctive political and ideological *apparatuses of production* which regulate production relations." (Burawoy, 1985:7-8)

Drawing on his own fieldwork in Chicago and Zambia as well as others', Burawoy contends that there are two generic types of factory regimes---despotic and hegemonic---depending on workers' dependence and state intervention. When workers depend mainly on wage employment despotic regimes prevails whereas when state intervenes by regulating industrial relations or providing welfare, hegemonic regime prevails. There are also variations of factory regimes given the different configurations of the direct/indirect intervention of state in factory regime and

separation /fusion of the institutional relationship between apparatuses of factory and of state. For example, the Chicago factory Allied is considered “hegemonic” because state intervened to shape the form of factory apparatuses from outside the factory and consent is generated through the game of “making out” on the shop floor; the Zambian mines are considered “colonial despotism” because there is a colonial character of the apparatuses of production that “a non-interventionist colonial state generated and reproduced labour supplies, while a company state regulated the miners’ work and leisure during their period of employment” (Burawoy, 1985:17); and the Hungarian factory Red Star is considered “bureaucratic despotism” because it was constituted and regulated by the administrative hierarchy of the state where coercion prevailed over consent (Burawoy, 1985:12). Therefore the concept of factory regime is applicable not only to analysis of early capitalism and advanced capitalism but also state socialism. Based on these comparative cases, Burawoy summarizes four key determinants of factory regime: labor process, enterprise relations to state, enterprise relations to market and the mode of reproduction of labor power (Burawoy, 1985:17).

Though a powerful tool for understanding production politics, Burawoy’s state-centered class-first approach of factory regime is contested by subsequent scholars. Biernacki in *The Fabrication of Labor* argues that culture is a prominent factor in determining factory practices. Instead of focusing on the role of state, Biernacki tries to understand whether “international differences in culture create and sustain decisive, systematic divergences in the formation of manufacturing practices and of industrial relations” (Biernacki, 1995:1). He chooses to compare German and British wool textile industries in the period between 1640-1914 because they shared basic similarities in technology, timing of mechanization, product lines, proprietorship, niche in the world market, and the structure and procession of workers’ unionization. This would enable him to single out the effects of culture upon the workplace by controlling the confounding effects of economic and technical trajectories.

He identifies culture in the order of practice at the point of production, treating the definition of labor as a commodity as the cultural principle of organizing work and discovered that the specification of labor in Germany meant “labor power” while in Britain it meant “materialized labor”. Such difference gave rise to a whole set of contrasting factories practices in Britain and Germany. For example, though payment in weaving was based on piece-rate, “The German piece-rate system centered its comparisons of different ways of weaving on the motion of inserting a pick, without respect to the visible length of the complete product. The British pattern compared the picks in different kinds of finished products rather than in motions” (Biernacki, 1995: 50). Moreover, German payment was always toward individuals whereas British payment was toward the looms. For another example, time and space implied different disciplinary measures in Germany and Britain. In Germany, workers who came late were fined according to the amount of time lost whereas British workers were simply locked out and denied access to their looms; and the design and internal organization of work space in Germany was to hinder surveillance of workers whereas the fortress-like mill in Britain was to facilitate control of workers.

Besides the wage system of the workers, time and space, Biernacki also illustrated other aspects of factory practices such as fines, circulation of labor, the role of manufacturers, and the cultural location of overlookers, etc. in relation to the different cultural specification of labor as a commodity in Germany and Britain. His amazingly comprehensive list of factory practices should serve as a benchmark for those examining similar issues.

Lee, on the other hand, suggests that gender is also an important element in shaping factory regimes. In *Gender and the South China Miracle* Lee incorporates the dimension of gender into the framework of factory regime in her study of South China foreign companies, revealing two different factory regimes under the same management. Lee carried out in depth fieldwork to understand the migrant workers and the shop floor practices in Shenzhen in comparison with the Hongkong workers. She discovered two different mechanisms of labor control (hegemony in Hongkong VS. despotism in Shenzhen) under the same employer and same team of managers, producing the same range of hi-fi products and using the same technical division of labor. And men in both cases occupy superior positions to women. The underlying reason for the difference, according to Lee, is the central importance of gender and labor market rather than the state or the simple formulation of managerial interest and capacity suggested by Burawoy. She stresses both the supply and demand side of the gendered labor market. For example, in Shenzhen, there is massive supply of single, young rural daughters whose marginalized positions are rooted in their families of origin, their intent to flee from patriarchal demands or arranged marriages and their notion equating factory work with appropriate femininity. And the localistic networks enable their male locals and relatives become guardians of women away from home. At the same time, the demand for female labor is gendered that “foreign capitalists adopt and reproduce the gendered notion of women as more docile, more dexterous, and cheaper laborers for labor intensive work than men” (Lee, 1998: 161).

These factory regime scholars have contributed much to my analytical lens for examining household factory regimes. Building on Burawoy, I will study the familial politics of household production from the four key dimensions of market relations, political relations, organization of work and reproduction of labor, with greater emphasis on the organization of work. Organization of work is the culminating point where political and ideological apparatuses of production, labor process, as well as the political and ideological effects meet. I will study the organization of work in household production through three parts in accordance: first, authority structure that analyzes the political and ideological apparatuses of production; second, factory discourse and practices that analyzes the labor process; and third, loyalty structure that analyzes the political and ideological effects. Building on Biernacki, I will unravel the labor process through a set of factory practices, focusing on four important aspects: space and time; worker, manager, owner interactions; regulation and fines; and payment system. Building on Lee, I will incorporate the labor market as an integral part of the factory regime, treating it as “production of labor” which to a certain extent structures the “reproduction of labor”.

Although factory regime scholars help me establish the framework for examining

household production system, the data I collect suggest that existing literature on factory regime is insufficient to account for my findings. For example, though state, culture, gender are all important elements in understanding household production, it's not the whole story or the most important one. In this regard, I am pushing factory regime literature further by taking familial relationship as the foundation of politics of production with loyalty as outcome rather than either coercion or consent; attending to varieties of factory regimes within a single country; addressing variations of factory regimes under the same type of factory regime; and understanding the regulation of and relations among different factories/producers.

Overall, the factory regime in Baigou can be best understood as familial politics of production. All factories are rooted in rural households with small capital and scale. Workers are rural migrants recruited through familial and community ties and owners and managers work, eat and live with their workers, creating overlapped working and living space therefore obscuring public and private space as well as work and rest hours. Work relations are reconstructed as familial relationship and workers consider their factory owners/managers as uncle/aunts or brothers/sisters, justifying wage as an allowance system. Because these "uncle/aunts" or "brothers/sisters" directly engage themselves in production alongside the workers, potential issues of labor conflict like long work hours, harsh work conditions and non-payment of monthly wages are well subdued and contained. Certain privileges like the right to reproduce in the factory are contingent on the workers' closeness to the factory owners. Under familial factory regime, work is organized along familial rather than institutional lines, generating loyalty instead of coercion or consent. Taken together, as mentioned earlier, household production stands as a different type of factory regime compared to SOEs, TVEs and FEs in China.

However, within this familial politics of household production, there are variations of factory regimes given the different configurations of market relations, political relations, organization of work and reproduction of labor. I term these sub-categories of factory regimes as patriarchy, paternalism, and patrimonialism respectively.

The concept of patriarchy has been widely used to describe a situation of either the real domestic authority of a household master over his household or a person's or entity's authority over his/its subjects like that of the household master over his household members. Paternalism on the other hand seems to emphasize the "benevolence" aspect of authority, and is applied more to depict organization/state's benevolent authority over its subjects compared to authority exercised in the personal realm. However, in reality, the term patriarchy and paternalism have become exchangeable concepts for many scholars, giving rise to a less clear boundary between two different terms. On the contrary, the concept of patrimonialism has remained as an independent concept since its creation by Weber, referring almost exclusively to the decentralization of state power of an earlier era. Although patrimonialism is a form of authority originated and developed from patriarchy, it is seldom intertwined with the concepts of patriarchy and paternalism in the current literature, and it is even less used as a concept outside the discussion of state power.

In this dissertation, I am redefining the concepts of patriarchy, paternalism and patrimonialism based on my own data, applying them to the domain of household production in order to distinguish different patterns of familial factory regimes. Essentially, I focus on how power is exercised in each factory I studied, and patriarchy speaks to a form of “government by the family”, paternalism speaks to a form of “government through the family”, and patrimonialism speaks to a form of “government for the family”. I will illustrate each in turn.

1) Patriarchal factory regime: The small household factory can be considered as a patriarchal factory regime which has limited capital accumulation and limited access to market and political relations therefore they form a work system similar to the early English putting-out system, depending exclusively on family members as workers. Organization of work is realized through “government by the family” (Burawoy, 1985: 98), with the patriarch---factory owner controlling all household resources and family members rendering absolute loyalty to him. Reproduction is a right to all household members, and they enjoy the little common wealth as a family.

2) Paternalistic factory regime: The median sized household factory can be considered as a paternalistic factory regime which has stable capital investment and stable access to market and political relation. Workers are mostly factory owners’ family members and fellow villagers who are introduced to the factory by senior workers, which often results in the employment of more than one member of the worker family. A particular paternalistic factory regime emerges given the absorption of worker families that depend on a specific employer---the factory owner. Under paternalistic factory regime, power is centralized but control is done through the family rather than by the family, with workers rendering long term and deep loyalty to the factory owner. The factory owner shares his properties and provides good welfare provisions for the workers so workers come to identify with the owners’ interest and fortune, though reproduction right is still limited to the factory owner’s family members.

3) Patrimonial factory regime: The big household factory can be considered as a patrimonial factory regime which has growing capital accumulation and expanding access to market and political relations. The workers are mostly young female workers recruited from rural families through a job agent. The factory owner engages primarily with market/political relation building and maintaining while the power to regulate factory practices is decentralized to his family members. Moreover, in the specific production domain, power is further decentralized to outside managers and group leaders, giving rise to a layered loyalty structure. Such a layered structure is also mirrored in the reproduction of labor where there is a privilege system based on people’s statuses in the household, with the right of children rearing restricted to family members, senior workers and skilled workers.

These different factory regimes are not isolated from each other but are connected, regulated and reproduced through the industrial district they have constituted. They are the bedrock for the flexibility of both the industrial district as well as the household factories.

In chapter 2, I will discuss the history and development of Baigou industrial district, highlighting the unique type of flexibility that distinguishes Baigou from other industrial districts. Chapter 3-5 examines a patriarchal, paternalistic and patrimonial household factory in detail, revealing the special features of household production. Chapter 6 sums up the empirical findings and discusses their significance to the understanding of a new productive system---household production.

Chapter Two

Baigou Bag Industrial District

Baigou is a small, rural township affiliated to Baoding City, Hebei Province, China. It is located at the triangle hinterland of Beijing, Tianjin and Baoding city and it intersects with Xiong County, Rongchen County and Dingxing County. Baigou has 33 village streets, taking up an area of 54.5 square kilometers, with a town district of 13 square kilometers. Baigou is famous for its bag industry formed in the 1980s. After 30 years of growth, it has become the largest bag production base in northern China. The center of the regional bag manufacturing industry is based in Baigou Township, but bag production extends beyond Baigou Township to involve 4 adjacent counties, a total of 56 towns and over 3000 villages working in the industry. In its heyday, there were over 2000 factories with approximately 40,000 migrant workers from 11 provinces of China in Baigou Township alone, and overall there are now over 10,000 factories with over 100,000 migrant workers engaged in the bag industry in Baigou region. In 2005, Baigou Township's bag production value reached 2.2 billion RMB (300 million dollars) and its bag products sell not only to 13 provinces in China with a domestic market share of 35%, but also export to more than 100 countries in the world².

The success of Baigou lies in its unique industrial district that is consisted of tens of thousands of household factories. In what follows, I will first trace the history and development of Baigou industrial district, illustrate the components of its external economies and then discuss how flexibility is achieved in Baigou industrial district through the features of household production.

Baigou: The Industrial District

Baigou industrial district provides not only external economies including common access to supplies, market, government, infrastructure, etc. for the numerous household factories, it also promotes flexibility based on the configurations of its institutions, its special social networks, its unique competition and cooperation patterns, and ultimately its interchangeable household factory regimes. In fact, no single household production unit could survive and develop by itself without an overarching industrial district, and the industrial district in this sense becomes a huge enterprise that embraces the constantly changing household factories as well as market.

The birth of the industrial district in Baigou is closely related to its local culture, especially its merchant tradition and rural-familial household arrangement. Dating back in history Baigou peasants had been actively engaged with commercial

² Source of information: <http://www.bdlyj.gov.cn/gaikuang/gaobeidian/g1.asp>

activities. This was largely due to the infertility of their limited agricultural soil which forced them to look for other ways to survive. However, under the communist party rule against “capitalist tails”, all commercial business was banned nation wide and agricultural activities were organized collectively as “production teams” in the villages. As a remote rural hinterland without any advantages such as natural resources or being on a transportation network, Baigou remained one of the poorest areas in China until 1970s. Facing the devastating poverty, some village leaders from Gaoqiao Village (a small village affiliated to Baigou) boldly started looking for “capitalist” ways out of poverty.

Both the official and folk story of the birth of Baigou bag industry goes like this: One day in 1971, the chief of Gaoqiao Village production team No. 8 Guoqing Zhang was chatting with a relative on the roadside when a bike rider passed by and asked them for directions. Guoqing Zhang was attracted by the bike rider’s bike seat cover which was made of artificial leather and appeared fashionable. He asked the bike rider for the seat cover’s price and thought that this might be the opportunity for a good business (at that time, bikes were one of the few permitted market goods in China and the bike seats were much harder than today’s bikes therefore a seat cover was popular). After some discussion within production team No. 8, people decided to give bike seat cover a try. Guoqing Zhang took out his household savings of 100 RMB (which was supposed to be his daughter’s dowry) and borrowed another 100 RMB from relatives and friends to buy a bike seat cover and two bundles of out-dated, cheap defective artificial leather from Beijing. Guoqing Zhang torn the bike seat cover apart to understand its structure and imitated the structure to cut the artificial leather for sewing. In this way, the first imitated bike seat cover was born in Gaoqiao Village and more were produced by the production team members with their household sewing machines. At first, Gaoqiao villagers tried to sell their bike seat covers in Baigou and the surrounding counties and got great sales records. Then they started selling bike seat covers by going to Shanxi Province, Shandong Province, Tianjin, etc. and finally all over China. Almost every household in production team No. 8 was engaged in making bike seat covers and it spread rapidly to other production team households in Gaoqiao Village.

In 1973, Gaoqiao villagers decided to explore a new market. Given their familiarity with artificial leather and bike seat cover, the idea of making artificial leather bags came to their minds. Again, they bought an artificial leather handbag from Beijing, torn it apart and imitated the structure to produce the first bag in Baigou. They targeted well at the rural market and lower small-city market, producing bag products that suited rural villagers’ habit and taste like the small wallet tied to people’s waist. Later on they also imitated to produce other types of bags such as women’s bags, school bags and suitcases, expanding the market even further. Nonetheless, the sales of bike seat covers and bags before 1979 were all carried out by brave Gaoqiao villagers secretly or strategically.

After reform and opening to the outside world policy in 1979, Baigou restored its rural tradition of “farmers market” on fixed dates, and the originally spontaneous “farmers market” became an important platform for bag sales. Bag production

extended quickly to other adjacent counties and townships including Sizhuang, Dongmaying, Zhangliuzhuang, Xincheng, Liangjiaying and so forth. In 1981, household contract responsibility system replaced the production team system, and villagers immediately fell back on their tradition of rural-familial household arrangement for bag production around Baigou region. In the beginning, it was the villagers themselves engaged in bag production in their own households, as long as they could afford sewing machines with their small household savings. Soon they began recruiting migrant workers from different parts of China to work in their households. Many of the Baigou villagers continued to work alongside their migrant workers with whom they constituted a quasi-familial relationship.

As time went by, the farmers market developed into a large-scale professional bag market, some villagers became local, domestic and international traders, and Baigou was recognized as the largest bag production base in northern China. These achievements are all connected with Baigou's merchant culture. However, certain features remain the same as in the beginning that has much to do with the rural-familial household arrangement. First, industry choice from the start is incidental and imitation is prevalent. As rural residents, most Baigou peasants have at best finished their middle school. They have no craftsmanship or professional knowledge about bag industry therefore imitation is prevalent and spreads from household to household. Second, capital always comes from small household savings rather than formal channels like bank loans. In fact, the rural Baigou has almost no access to banks for a long time, and even now the a few bank branches in Baigou are mostly there to facilitate transactions rather than offering loans. Third, technology is low. The household bag production has little impetus or capacity in technology innovation due to its small capital and scale. So far sewing machine remains the most important tool for bag making.

The External Economies: Supplies, Market, and Local Government

Though production is household based, local institutions like the bag supply/sales market and the local government, etc. play a significant role in the constitution of the industrial district.

Over the years Baigou has evolved into an industrial district with a comprehensive system of production, supply and sales. Like the bag production, both supply and sales have been through a long time development from self-organized capricious market to a more stabilized professional market. While bag production remains locally concentrated, supply and sales goes far beyond local to include both domestic and global elements.

Supplies

Baigou didn't produce raw material for bag making from the beginning, so all the materials including artificial leather and metal accessories were imported from other parts of China. Along with the burgeoning bag market, material supply markets serving bag production such as artificial leather market, bag metal decoration market

and bag accessory market were established rapidly.

“We mainly bought bag materials and accessories from Hangzhou and Suzhou, Jiangsu Province and Xinxiang, Henan Province. At first we sold them at home where many household factory owners from surrounding villages came and bought things from us. Later we also sold them on the local bag material and accessory market.”

-----Interview

with a local bag material merchant

Take the bag accessory market for instance. The local name of the bag accessory market is “waste market” because it started as a place where all sorts of defective/extra bag materials from factories in the big cities were sold at a very low price. At that time, many Baigou locals were busy with their household production so most of the suppliers of the bag material market were villagers from surrounding counties and townships. The “waste market” used to be together with the artificial leather market and bag metal decoration market in the 1980s and it became an independent bag accessory market in 1994 and had moved several times until it settled down in Laiyuan (center of Baigou Township) in 2005 with over 300 supply booths.

The suppliers in the artificial leather market, bag metal decoration market and bag accessory market are the main suppliers of Baigou’s bag industry. The average quality of the bag materials is low to median with lowering the cost of bag materials as a main consideration. Material or technology innovation is not on the suppliers’ schedule while maintaining a good relationship with certain bag factories is. Given that most possible buyers of the materials are all from the local area, securing a long-term relationship with the buyers means that the suppliers would have a stable source of revenue from them. Patron-client relationships prevail in the supply market, and a special character of the supply market is that the transaction is based on a tally system, that is, the buyers don’t pay the suppliers when they purchase the materials but pay them once several months or at the end of the year.

In contrast, another important group of suppliers for Baigou bag industry sticks to the formal way of transaction. These suppliers are located in Guangzhou (the biggest bag production base in southern China) and their bag materials usually have a better quality, more fashionable appearance, and sometimes with innovative technology therefore more expensive. A few clients would demand the Baigou factories to produce their products with Guangzhou materials, so some factories need to order from Guangzhou suppliers with instant payment. The contacts with Guangzhou suppliers are usually brief and formal, and a factory owner commented: “unless requested by the clients, I’d prefer to use local materials which are cheaper therefore generate a higher profit.”

Facing the huge demand for bag materials, some enterprises were founded to produce certain bag materials locally (for example, threads, slide fasteners, sponge, etc.) which helped cut the production cost though imports were still the majority.

The Market

The local bag market is the fundamental bedrock of the Baigou industrial district. It is the essential institution that links the tens of thousands of household factories to customers, suppliers and merchants. As mentioned earlier, there was no open bag market in Baigou before 1979, and it took 15 years for the self-organized farmers market to evolve into a professional bag market.

When the rural tradition of farmers market was restored in Baigou at Shiqiaokeng, artificial leather bike seat covers and bags soon joined the daily commodities and toys to be sold on the market. Before long, artificial bags became the dominant products on the farmers market, and the dates of farmers market extended from the 3rd, 5th, 8th and 10th of each month to every day around the year. In 1984, the Shiqiaokeng farmers market turned into a bag-only daily market (with other products retreating to a different location), and it gradually occupied five adjacent streets until it hit the highway. Altogether it was called “Shilichangjie” (3 Mile-Long Street) which was consisted of over 10,000 simple bag sales slots.

This primary bag market was on the dusty rural streets with many dents and curves, the bag exhibition shelves were made of sorghum and sunflower rod, but it was always crowded with clients.

“In the beginning, household factories like our own exhibited our bag samples on the Shilichangjie. It was a spontaneous bag market in front of some Baigou local’s homes. We paid those locals about 50 RMB each month for exhibiting bag samples in front of their households. People from all over China came in and made orders, and our family would make the bags and send the finished products to their hotels around Baigou Township.”

-----Interview with a household factory owner

Between 1989 and 1990 the local government tried to enhance the image of the primary market by flattening the bumpy street, unifying the exhibition shelve into iron shelve and adding asbestos tile roof. However, not everyone was excited about the change:

“Everything was fine with the old Shilichangjia. Then the local government stepped in to polish it and asked for a management fee for the market place. You see they always wanted to share our cakes.”

-----Interview with a household factory owner

Nonetheless, improved market condition did bring better sales records (e.g. the market was not subject to weather anymore) and the local government further initiated the project of building a large-scale bag exhibition hall as the bag industry trading center. When the bag exhibition hall was finished in 1994, it had over 300 well designed booths inside and 6000 small outdoor booths surrounding the center (Ping, 2008). Not surprisingly it was uneasy to persuade all the household factory owners to

move from Shilichangjie into the new bag exhibition hall due to the higher rent and their fear of losing long-term clients. The local government made great effort to mobilize the household factory owners, offer attractive promotional policies and organize a specialized team for facilitating the moving process. Finally all sales booths moved from Shilichangjie into the bag exhibition hall under the unified management. With the expansion and upgrades over the years, there are now over 1000 well maintained booths inside the exhibition hall and no outdoor booths anymore. According to the records, the refurbished bag exhibition hall displayed 33 general bag categories, over 1200 brands and more than 30,000 different styles of bags in 2004, welcoming an average daily passenger flow of 70,000 to 80,000 people. In the same year a second bag exhibition hall was built to accommodate the increasing demand for sales booths. Today over 5000 international and domestic famous brand products have established their direct sales windows in Baigou while Baigou has also established direct sales channels in 100 other countries.

Local Government

As can be seen from the bag market development, the local government played an important role in supporting the bag industry. On the one hand, the local government acted as a calculated merchant who enhanced the local infrastructure for eliciting long-term rent; on the other hand, the local government acted as a considerate “parent” to guide the bag industry onto the better development path and to save it from crises. Here I will highlight three government initiated programs to illustrate the role of the local government.

First, the creation of Baigou Industrial Park. Seeing the fast development of the bag industry and the fruit of the bag exhibition hall, the local government initiated the idea of an industrial park, constructing bag factory compounds in the center of Baigou Township that occupied 160 acres altogether.

“It (the construction of the industrial park) was out of two main considerations. First, thousands of small scale household factories were unable to develop their own brands; and second, such small household factories were unable to undertake big orders when opportunities came.”

---Interview with a government official

The industrial park was realized in three steps: the first part occupied 27 acres, the second part occupied 54 acres and the third part occupied 80 acres. The factory compounds in the industrial park were also constructed as the typical northern rural households (though bigger than the average rural household) and were sold to the factory owners at a relatively low price. The promotional policy was that the local government would not charge them any tax or fees³ for the first few years. Such an

³ Normally the factories residing in the industrial parks are all registered and pay taxes and fees regularly whereas the household factories in the villages are not registered and taxes and fees are more precarious depending on the situation. The taxes and fees of the factories in the industrial park are determined by their scale---that is, the

industrial park and promotional policy attracted not only many local factory owners whose household factory have grown bigger over the years, it also encouraged many non-local factory owners to settle down because the government offered further promotional policies for non-locals such as transferring Hukou, providing school entry for their children, and so forth (Cheng and Liu, 2010). In the meantime, the local government also invested heavily in the improvement of the road construction, electricity and water supply, communication system, etc. to strengthen local infrastructure. Statistics in 2007 show that the overall investment for the three parts of the industrial park reached 1.5 billion RMB, 670 factories have entered the industrial park among which 480 have started bag production in the new factory compound (Ping, 2008). The industrial park was quite successful and a second industrial park is now under construction.

Second, adoption of Baigou Bag Brand Strategy. Like a coin's two sides, imitation served as the starting point of Baigou's bag industry, but it became an obstacle for the long-term development of the industry too. In the 1980s and early 1990s, all bag products in Baigou were imitations of bags from big cities, magazines or even on TV. Not only did factory owners imitate the style but also they directly imprinted brands like "Nike", "Gucci", and "Pierre Cardin" etc. on their imitated products. For a long period of time the word "Baigou" has become the substitute of "cheap fake commodities", and such reputation made many customers reject the Baigou bag products.

To deal with the dilemma, the local government first initiated the project of "liquidating fake commodities". For all the factories in the industrial park and all the sales booths in the bag exhibition hall, the local government imposed brand registration on them, requiring them to achieve "no production, no buying, and no selling" of fake commodities. However, the brand registration was at best a naming process for the thousands of factories and sales booths under the regulation which now used their own brand instead of "Nike" or "Gucci". Most of the household factories in the villages still continued their old path.

In 1996, the local government further initiated a "Bag Research Institute" which was affiliated with the local government's economic council. The bag research institute was dedicated to creating Baigou's own bag logos and to extending the brand effect through advertisement. Now there are over 1400 officially registered local logos in Baigou, a few of which do gain wide recognition in its targeted market.

From 1999 onwards, the local government has collaborated with Hebei Provincial government, city government and Chinese light industry association etc. to host several "Baigou Bag Industry Festival" in Baigou, attempting to attract more orders, contracts, and clients worldwide.

Though the local government has made much effort in leading Baigou towards

number of workers. The amount is divided into several categories: factories with less than 10 workers; factories with 10-30 workers; factories with 30-50 workers; factories with 50-100 workers; and factories with over 100 workers.

the “brand route”, the effect was not as great as they anticipated. After all, imitation still prevailed in the industrial district and most brands they tried to establish were not well-known on the market. Nevertheless, they at least succeeded in getting rid of the worst reputation and even expanded the share in the global and domestic lower end market.

Third, the efforts to survive crises. In winter, 2002, six female migrant workers died of poisonous benzene contained in tinpot glue water in Baigou. This tragic death of female migrant workers aroused a great deal of reporting by media and attention of publics and government officers from different levels (Hu, 2009). The responsible local government officers were dismissed, and the working conditions of household factories were demanded to be scrutinized by the upper government. Many household factories were shut down during the safety inspection by the upper government and the Baigou bag industrial district was in deep crises.

In fact, the majority of the household factories were under substandard working conditions, and workers were exposed to toxic materials without any effective protections. However, to save the industrial district from closing, the local government first pictured the tragedy as an individual factory incidence and then actively collaborated with the upper government in scrutinizing and “standardizing” the household factories.

The local government proposed that every household factory should have a special workshop for glue pasting where satisfactory venting device must be installed; the workers working in toxic environment must have protective devices; and that every factory must have a business permit and tax registration. To enforce the regulations, the local government assigned 260 local cadres to attend to specific household factories twice a week, making sure they could reach the safety standard. Moreover, the local government demanded that all workers especially glue pasting workers must have physical examinations before, during and after their employment, and both the factory owners and workers must participate in the study sessions on safety issues organized by the local government. Such a series of regulations helped to convince the upper government as well as the publics that Baigou was now a safe production environment so the industrial district was saved from the fate of closure.

For a while the local government was seen as the guardian of the bag industry and the workers though in reality the working conditions of most factories haven't improved much. What happened during the safety inspection process was that the local cadres had or built familial/friendship with the household factory owners so that when safety inspection was on the way, the cadres would notify the factory owners or even help them prepare for the examination. Of course, the factory owners would show their appreciation through different ways, especially subtle economic bribes.

After the strongest wave of safety inspection pressure from the upper government and the publics right after the death of the six female migrant workers, the local government kept a blind eye to the substandard working conditions still prevalent in the industrial district while routinizing other regulations which became a stable source of revenue for the local government. For instance, the physical examination costs

about 50 RMB per worker and every worker needs to take it three times through their employment:

“The physical examination is so short and so simple that I don’t think it can detect any disease or health problems we have.”

----Interview with a worker

For another example, the study sessions on safety issue for both the factory owners and workers are compulsory and cost thousands of RMB on the part of the factory.

“I don’t think the study sessions will make any difference. We still work without safety protection and venting devices, and sometimes the knowledge they provide is too remote to us. Basically it’s just another way for the government to extract money from us.”

-----Interview with a factory owner

Overall, the local government did play an important role in rescuing the industrial district from the crises, and the process again demonstrated its deep cultural tradition of rural-familial arrangement and merchant orientation.

Besides the main local institutions of the bag market and government, there are also professional associations like bag association, artificial leather association, metal accessory association, logistics association, etc; hobbyist clubs like fishing club, table tennis club, peking opera club, etc. and business associations like Henan business association, Wenzhou business association, Hunan business association, Chuanyu business association, Haicheng business association, etc. All these institutions are self-organized but approved by the local government. However, in contrast to the local institutions in Silicon Valley which facilitate industrial system-wide interactions and communications, the similar institutions in Baigou generate a more fragmented network. For example, most of the business associations are region and ethnicity based which intensifies interactions among the same ethnic groups but is usually closed to others. Such a fragmented network reflects the essential feature of the whole industrial district, and it is precisely this fragmented network that contributes to the special flexibility of Baigou industrial district. In the next section I will highlight the ways in which flexibility is achieved through the different configurations of the above mentioned institutions and the easy expansion or contraction of Baigou’s familial household production system.

Flexibility and Reproduction of Household Factories

The institutions in Baigou industrial district, coupled with the easy expansion and contraction of familial household production system, greatly promotes the flexibility of the industrial district as a whole. Here I will focus on three themes: the multiple sales channels, hierarchal competition and arms-length cooperation. The

different configurations of market channels help facilitate the easy expansion and contraction of household factories because factories could combine different market channels depending on their capacity; the hierarchical competition and arms-length cooperation on the one hand produces and reproduces the different scale of household factories while on the other hand they also provide opportunities for household factories to grow, or in some cases, shrink.

The local bag market (Baigou bag exhibition hall) is a central institution for bag sales, and there are three main channels for bag products to reach the market. The first channel is to directly run a bag sales booth in the bag exhibition hall. Once bag samples are produced by a factory, it can exhibit its samples in its own sales booth. If the sales booth is independently run, its name often is the same as the bag brand or factory name. If the sales booth is co-run with other factories, its name reflects more of the type of the products rather than brands or factory names (because people who share a sales booth usually produce similar products, and in this way the sales booth look more professional or specialized). Sometimes in a co-run sales booth, several sales representatives from each factory are present to facilitate sales.

The second channel is to find a market agent who runs a sales booth. In the Baigou bag exhibition hall, many bag sales booths are run by market agents rather than direct producers. In some cases, the market agent might have his/her own factory while also representing other factories' products. In other cases, the market agent is a pure merchant who exhibit bag samples for several factories at the same time. The factories send bag samples to the agent with a factory price and the agent sell the products to customers at his "market price" and his profit comes from the difference between the market price and the factory price.

The third channel is to find a local trader (called "Bandun" in local language) between the factories and the market agents. These local traders go back and forth between the market and the factories to catch opportunities. For example, an important business of the local traders is to buy excessive products from the factories at an extremely low price and sell them to the market agents at their "trader price" when he sees rising market opportunities for the products. At other times when the local traders see such opportunities without suitable excessive products at hand, they would ask certain factories to produce desired products by providing them with samples, materials and guidelines.

The main channels for sales at the bag market are not mutually exclusive. There might be a combination of two to even three channels at the same time for certain factories or there might be a different channel at different period of time for the same factory. Two things are worth noting about the local bag market. First, when products get to the market, they are not directly sold to individual consumers in most cases. Wholesale is the main form of sales at the bag exhibition hall, though a few individual consumers might come to shop as well. There are different layers of middlemen involved in the sales process and to a great extent neither the market agent, local traders nor the direct producers know where the products might get to in the end. Second, although the local bag market is a central institution for bag sales, it is by no

means the only channel. Most sales at the local bag exhibition hall are domestic sales and only a small portion of foreign sales are generated in the local bag market. Nonetheless, it has become a symbolic icon for the bag industry and has exerted a great influence over other forms of sales of Baigou bag products around China and the globe. I will now discuss other important sales channels beyond the local bag market.

First, the Baigou bag market has extended to other parts of China where market branches are established now in Beijing Yabaolu, Suifenhe and Luoyang. In these places, similar forms of bag exhibition hall were built to generate bag sales, with Beijing Yabaolu being the most famous foreign bag export window nowadays. The sales booths in Beijing Yabaolu are mainly oriented towards bag export business where market agents represent many Baigou bag producers and exhibit their foreign products. Once an order is made by foreign traders or foreign trade representatives, Baigou factories will produce the products and send them to the market agent in Beijing.

Second, some factories have managed to open direct sales booths in other parts of China or even foreign countries. In this way, the middlemen were cut off from the commodity chain so that the profit is higher. Other factories, on the other hand, have managed to reach sales agreement with local market agents in other provinces or countries so that their products can be sold to a wider group of customers.

Third, in addition to institutionalized market channel, many factories have maintained long-term patron-client relationship with both domestic and foreign bag traders. This long-term patron-client relationship especially the connection with foreign bag traders is crucial for the bag business in Baigou historically. Some of the domestic and foreign traders don't appear in Baigou on a regular basis but receive bag samples from the factories directly to make their orders. Others might visit the factory's own bag sample room rather than the one in the local bag market from time to time to select the bags they like.

Moreover, a few factories are now experimenting with online bag sales business and much of the sales are done with individual customers around China. So far this internet business remains in its infant stage and its importance is far behind the other sales channels mentioned above.

Again all these sales channels beyond the local market can be combined among themselves and with local market channels at different times. The involvement of middlemen is more complex in the foreign trade business than the domestic trade business and personal relationship is crucial for the bag business. In general the whole Baigou industrial district lies at the bottom of this global commodity chain.

Hierarchical Competition

Although there are different suppliers and sales channels and there could be different configurations of suppliers and sales channels, these configurations are not random or chosen at will. They are closely associated with the household factory type which is a result of the development of the industrial district. Over the years, some small household factories grew bigger and moved to the industrial park while most continued their production in village households. Now there is a discernable

hierarchical market relationship between three different types of the factories. Not only do different types of factories exhibit different patterns of networks, they are also competing on different grounds for different stakes. Competition is much more intense between the same types of factories than across different types of factories. Here I will discuss each type in turn.

Small household factories are those which employ less than 20 (in many cases less than 10) workers and which are mostly scattered in the villages without any form of registration or tax records. The owner and workers often have real family ties and they work together in the factory. They don't produce or sell independently but seek outsourced orders from the "Bandun" or bigger factories that provide them with necessary materials and styles. That is to say, they don't have direct contact with suppliers and their sales channel is mostly limited to communication with local traders or other factories if any. Bag design, brand logos or sales performance is not their concern while reducing the labor cost is. In most cases, the products of small household factories are of the poorest material and quality, whose crucial character is to be as cheap as possible. Therefore the competition among different small household factories is to lower their "processing fee" of the products which is ultimately their labor cost.

The median sized household factories are those which employ 20-30 workers and which may reside both in the villages and in the industrial park. The owners usually have real family ties with some of their workers and share real community ties with other workers. They sometimes are able to employ non-related workers as well. Many owners engage in day-to-day production with their workers. This type of household factories receives most of its orders from agents in the bag market and could both produce (and sometimes sell) independent products and take/give outsourced orders from/to other factories. They are mostly dealing with local suppliers and depend more on the market agents as the main sales channel, though some might have shared a sales booth with others or have market agents beyond Baigou local bag market. A few of them might also have maintained a good relationship with domestic and international traders who would buy their products directly. The core of the competition among the median sized household factories is "fashion at a relatively low price". Nonetheless, the fashion is not original but speed of imitation is essential. Many median sized household factory owners are engaged in collecting latest fashion bags around China as well as through magazines and internet.

"Fashion is key for us. You see people display their products in the bag exhibition hall, and finally it is the ones with the best look win. The more attractive your bags are, the more orders you will get. "

---Interview with a median sized household factory owner

However, "fashion" alone doesn't conquer the whole market as the owner imagined. After all, the market is hierarchal and fragmented and the display of bags at the Baigou bag exhibition hall for the big household factories is more intended as a

showcase rather than to instigate scattered sales. Instead, winning over big client is the goal. The big household factories are those which employ 30-100 workers and which mostly reside in the industrial park. The owners usually hire a job agent to recruit young workers from the job agent's rural communities. The owners don't work in the factory but hire their family members to manage the production while they themselves are busy establishing all sorts of market and political networks in and out of Baigou. They sometimes also employ college students as office clerks. This type of household factories usually produces and sells independent products with their own brands and styles, and sometimes outsources orders to smaller factories. Their products are not only stylish but also of better material and quality in the Baigou bag industry therefore the prices are much higher than products from small and median sized household factories (though still in the lower domestic and global market).

It is mainly the big household factories that deal with both local and Guangdong suppliers and are capable of combining all the different sales channels beyond the local bag market. More often the most important source of orders for the big household factories comes from a relatively fixed set of clients who are domestic or international traders. The competition among big household factories is about establishing exclusive long-term relationship with global traders (usually residing in other countries) and getting more shares from the domestic traders who might engage in both domestic and foreign trade business.

“There is a group of foreign trade specialists from Zhejiang Province who come to Baigou to order products from the main big factories from time to time. We all send our finished products to the same loading zone where you can see how many bags they have ordered from each factory. It is a moment of competition. We all want to be the winner who gets the biggest share.”

---Interview with a big household factory owner

In fact, the hierarchal relationship between different types of factories and the competition among the same type of factories is reflected in the Baigou bag exhibition hall too. There are now three levels in the exhibition hall with the first level selling cheapest products (many under 50 RMB and some under 10 RMB); the second level selling fashionable but relatively cheap products from roughly 50-150 RMB; and the third level is dedicated to the most famous brands and the biggest factories selling above 150 RMB to over thousands of RMB. Many of the sales booths on the first two levels add curtains behind the glass window to block direct view of their products from their peers so that their “fashionable design” won't be stolen or imitated. Others have even attached a board saying “no entry of peers, face to face scolding is humiliating” while welcoming clients with another board.

Overall, competition is much more intense among the same type of factories than across different types of factories, and the stakes of competition among different levels of factories are also different. However, two things are worth noting. First, not only are factories different on scale, they are also different in their

specialized products. The women's bags are the pillar products of the industry while other products like men's bags, school bags, purses/wallet, suitcases, etc. are also important components. In a similar way the competition among the same category of bags is much more intense than across different categories of bags, and the dynamics of small, median sized and big household factories still hold under each different category. Second, there is also cooperation between different factories though such cooperation is based on another set of fragmented networks whose essence is the familial and ethnic/regional connections.

Arms-length Cooperation

Cooperation in the Baigou industrial district is common and exists in both horizontal and vertical directions. However, such cooperation is neither system-wide nor possible for any two or more factories. On the contrary, only factories that share familial ties, similar ethnic/regional backgrounds and good personal relationships will cooperate with each other.

There are different forms of cooperation that ranges from material supply, production and sales. Sharing the cost of bag materials was popular among the local villagers who ran household factories, especially in the early days. Now sharing material cost still exists but mostly among start up factories run by villagers from other provinces of China who have similar ethnic/regional roots.

"In the beginning it was hard for individual household to afford the big bundles of artificial leather so I discussed with some of my relatives who also run their own household factories and we decided to buy the material together and then split it up according to our needs."

---Interview with a local villager

Other typical cooperation includes sharing designing cost, clients and even orders. This is most prevalent between median-sized household factories which emphasize "fashion" (speed of imitation) but need to save designing cost. Such cooperation is limited to people with close relationships.

"My brother, my friend and I have our own individual factory and we opened the designing department together. We all contribute money, skill and time into the project. We have hired 5 bag designers and 4 sample bag workers who work side by side to produce several bag samples every day. The three of us come here in turn to check their work progress and to instruct them when necessary. When the clients come here and make their orders, we use a raffle system to decide who would produce that order each time. It is fun and we never had any conflicts."

---Interview with a bag factory owner

Another prevailing form of cooperation, as demonstrated earlier, is the sharing of sales booths. Sometimes people might also share other market channels both within

and beyond the local bag market if their relationship is “good enough”. This type of cooperation exists more among the median sized household factories and among the small household factories.

“We share a sales booth in the bag exhibition hall. It’s very expensive to rent a whole booth by ourselves so we rent one with some of our friends together. We produce the same type of schoolbags but with a different style. Ours is designed for elementary school children and theirs is designed for middle school or college students. This combination makes our exhibition more versatile and colorful which might help attract more clients.”

---Interview with a sales representative in the bag market

Most of the cooperation mentioned above is horizontal rather than vertical. The major form of vertical cooperation is through “outsourcing”. When a factory has more orders than they can handle on their own, they would outsource part of their orders to other factories, usually smaller ones with familial or ethnic/regional ties with the outsourcing factory. Big household factories may outsource orders to both median sized and small household factories; median sized household factories may outsource orders to small household factories; and in rare cases small household factories might look for other small household factories to help them fulfill orders if necessary.

“Sometimes we have more orders than we can handle by ourselves so we outsource them to my fellow villagers who also run a small household factory in the village. I would sort the materials for them and they could come and use our machines if they don’t have the necessary ones in their own household factory.”

---Interview with a median sized bag factory owner

Besides the cooperative practices mentioned above, there are also other ways of cooperation such as sharing industrial park rent, sharing productive skills/experiences, sharing transportation cost, and so forth. There are different configurations of cooperative practices, but they are all based on fragmented familial/ethnic/regional networks. On average, a factory’s cooperative partners are less than 10 in a region with over 10,000 factories, and there is no overarching cooperative agreement for the industrial district as a whole. It is the thousands of small clusters of fragmented networks that constitute the Baigou bag industry.

Flexibility within Household Production

The household factories in Baigou are organized through rural-familial household arrangement regardless of their sizes and the origins of the household factory owners. Nonetheless, there are variations of this rural-familial household arrangement according to their position in the industrial district. Such variation exists

roughly in line with the three types of household factories: small household factory, median sized household factory and big household factory. The small household factory can be considered as a patriarchal factory regime, the median sized household factory can be considered as a paternalistic factory regime, and the big household factory can be considered as a patrimonial factory regime.

Because of its familial arrangement, recruitment of labor is flexible through either pure familial ties, community ties or a mixture of both; and because familial organization of work ensures loyalty from its workers, it makes expansion and contraction of household factories much easier compared to non-familial factories. And overall, there is great mobility between different types of factory regimes which is made possible through its inner flexibility as well as its flexible outer environment, promoting the flexibility of the entire industrial district.

In the following chapters, I will explore each of the factory regimes in more detail based on my 12-month fieldwork in one small, one median sized and one big household factory. I will explain the causes and effects of such internal firm organizations and their relationship to each other as well as to the whole industrial district.

Chapter Three

Mr. Su's Patriarchal Household Factory

A baby is asleep on the ground of the shop floor. An old lady is sitting next to the baby and cutting extra threads from the half finished bags. Moments later, the baby wakes up so the old lady stops her work at hand to take care of the baby. Around noon the young mother lifts her baby up on the sewing machine for breast feeding while the old lady goes to the kitchen to cook for the family.

This is a typical scene at Mr. Su's small household factory in Sunshine Village (a village affiliated to Baigou). Mr. Su is a middle aged man from Xuchang, Henan Province. He started working in a household factory in South Village near Baigou in 1999, then he went to work in a shoe factory in Guangzhou in 2003. Later he became a construction worker in Hainan, Xi'an, and Shanxi Province before he went back to his hometown and worked in a bag factory there. With the encouragement and help of his cousins (a female cousin Nu Su and a male cousin Lu Su with his wife Mu Su who used to work in Baigou bag factories), he brought his wife and 14-year-old niece to Baigou and opened this small household factory with the cousins after the spring festival this year.

Mrs. Su is now 30 years old and she used to do agricultural work and other sorts of work around her home, and it was actually her first time to get out of Henan Province and work in Baigou. However, she was a very smart person who acquired the mastery of sewing machine work (both lower and higher sewing machines) within half a year. Back at the hometown, their old parents are now taking care of the agricultural work as well as their two children: a 9 year old daughter and a 7 year old son. Because the two children are at school in Henan Province, the parents might take them to Baigou and spend some family time together during the summer vacation.

The male cousin and his wife just had a baby, so the male cousin's mother came along with them to the factory to take care of the baby, to cook for the family and to work occasionally on the shop floor. Altogether there are six workers in the factory which constitutes it as a small household factory in the Baigou industrial district.

Market/Political Relations

According to Mr. Su, there are now many bag factories in Henan Province too, but he moves to Baigou because Baigou has more advantages like the established bag industry environment, convenient access to market and clients, and comprehensive material supply and services.

As a small household factory in the village, the factory is not registered in any way. The major products made in the factory are outsourced domestic women's bags. The outsourcers provide them with the raw materials, but they have to rent the factory space and buy the necessary machines themselves. Their Jiagong (processing

outsourced orders) is comprehensive rather than partial. That is to say, they make complete bags out of the cut materials rather than only attaching certain materials (e.g. slide fasteners, pockets, metal accessories, etc.) or sewing certain clothes as I observed in some other partial Jiagong factories. The Jiagong prices for them range from 1 RMB to less than 20 RMB depending on the complexity of the bags. Most of the bags they process in the factory are simple women bags from which they could get 3-5 RMB for each bag they finish. They are able to produce about 100 such simple bags per day. In fewer cases, the bags are more complicated and the price goes above 10 RMB per each finished bag. However, they are only able to produce 20 or 30 such complex bags per day.

Normally the owner needs to look for outsourced orders constantly. "If there is no 'Huo' (work) there is no money. Last month we had 15 days off because there was no outsourced order therefore any work to do at all. However, I still need to pay the workers even if they are not working, so I have to seek hard for work." The owner said.

When the factory gets outsourced orders from the outsourcers, the owner will go to the outsourcers' places to get not only raw bag materials but also a finished sample bag as well as the paper version of the bag components. Prices for Jiagong (processing outsourced orders) are negotiated and fixed on the spot. However, the factory doesn't take all offers without certain considerations. "If the Jiagong fee they offer is so low that we can't make any profit from it, what's the point of taking the order?" The owner explained: "There are many outsourcers and even more Jiagong factories. We all need to find a balance in the deal." I asked him if he signed something like a contract or agreement with the outsourcer for outsourced orders and he said never.

If the bag style is simple and easy to make like those ranging from 3 RMB-5 RMB, the owner will take the outsourced order after fixing the price, fetch the materials to the factory and process the bags without any difficulty. If the bag style is more complex therefore the prices goes above 10 RMB, the factory will produce one or two bags according to the sample bag first and then show them to the outsourcer. If the outsourcer is satisfied with their tentative products, they will go ahead and produce the whole order; if the outsourcer is unsatisfied with the tentative products, they will have to give up the order. If the bag style seems too complicated and beyond the capacity of the household factory, the owner will decline the order from the beginning in order to save both the outsourcers and their own time and energy.

In most cases, the outsourcers are the owner's personal friends. Many of them are from Northeastern China. They might have a booth or connections in the bag exhibition hall, or they might have a factory of their own. So far there are about ten such outsourcers the factory has relationship with. Although most of the outsourcers are familiar with the owner and have faith in the factory's bag quality, once the outsourcers introduce a new outsourcer who doesn't know the factory well yet to the factory, the new outsourcer might want to see their work in the workshop first. However, "this rarely happens because most of the outsourcers are my close personal friends and once a new outsourcer sees our work, he becomes a fan of our products

and a friend of mine too.” The owner smiled confidently.

No matter how proud the owner is of his products, all finished bags are subjected to the examination of the outsourcers in the end before the Jiagong fee can be paid to the owner. No advanced payment is made to the factory for processing, and until all products are checked OK will the outsourcers pay the full Jiagong fees to the owner. According to the owner, outsourcers usually wouldn't check the quality of every bag. They just randomly select several bags and examine the quality. Nonetheless, there are indeed work errors involved sometimes, and if possible they can correct the mistakes with the outsourcers' permission. If an error is irredeemable, the household factory will have to pay for the material cost to the outsourcer. In fewer cases, the outsourcer might be precarious and picky about their products and pay less than he has promised. Only after all the examination and calculation is done will the outsourcer pay the Jiagong fee to the household factory. In a word, the small household factory is at the whim of the market and the mercy of the outsourcers.

Mr. Su's factory has almost no political connection. If any, the only political relation the factory has is with its landlord Mr. Zhao who is an important village cadre in Sunshine Village. The Su family and Zhao family members have got familiar with each other as time went by, and Mr. Zhao and his family members would visit Mr. Zhao's household factory from time to time to greet and talk with one another casually. Since the small household factory is not registered in any way, they have never paid regular taxes and fees as those residing in the township industrial district. Neither have they ever experienced any production safety inspection from the local or upper government. Therefore, the lack of political relations doesn't pose a big problem for Mr. Su's household factory.

Organization of Work

In the small household factory, given the limited access to market and political relationship and the employment of purely family members, Mr. Su adopts the control strategy which is in principle a form of patriarchy. For Weber, patriarchal domination is based on personal loyalty and “the roots of patriarchal domination grow out of the master's authority over his household...in the case of domestic authority the belief in authority is based on personal relations that are perceived as natural. This belief is rooted in filial piety, in the close and permanent living together of all dependents of the household which results in an external and spiritual community of fate. The woman is dependent because of the normal superiority of the physical and intellectual energies of the male, and the child because of his objective helplessness, the grown-up because of habituation, the persistent influence of education and the effect of firmly rooted memories from childhood and adolescence...it depended upon very different arrangements and was determined by diverse economic, political and religious conditions whether household authority was vested in a woman, or in the eldest son or in the economically most competent one” (Weber, 1978: 1006-008).

While Weber and many other scholars view patriarchy as ancient and traditional domination, Hamilton argues that Chinese patriarchy and is fairly modern, “that

patriarchal domination in China is not elemental or archaic, but rather very much a product of a developed civilization...this form of domination does not indicate an unchanging society, but rather a developmental sequence that is in some respects equivalent but quite different than the one taken in the west” (Hamilton, 1990: 97). An underlying feature of the Chinese patriarchy is the institutionalized filial piety (*xiao*) in Chinese politics. Whereas filial piety in Western Europe emphasized the domination/power of the father and personal loyalty to the father, filial piety in China emphasized the sincere submission/obedience to the domination based on the specific sets of social roles. “With *patria potestas*, a person obeys his father; with *xiao* a person acts like a son” (Hamilton, 1984: 411). Moreover, as Jamieson correctly notes, in China the right of the father “extends not merely to the father, but to all seniors in the agnatic group--to paternal uncles, grand uncles and even to elder brother, and each of these in turn has minor powers of correction, varying with the nearness or remoteness of the relationship” (Jamieson, 1921: 5). Though Hamilton’s analysis is about imperial China, he also contends that “it seems less a remnant of some primitive stage of mankind, than an active force in molding late imperial society and indeed China today” (Hamilton, 1990: 88).

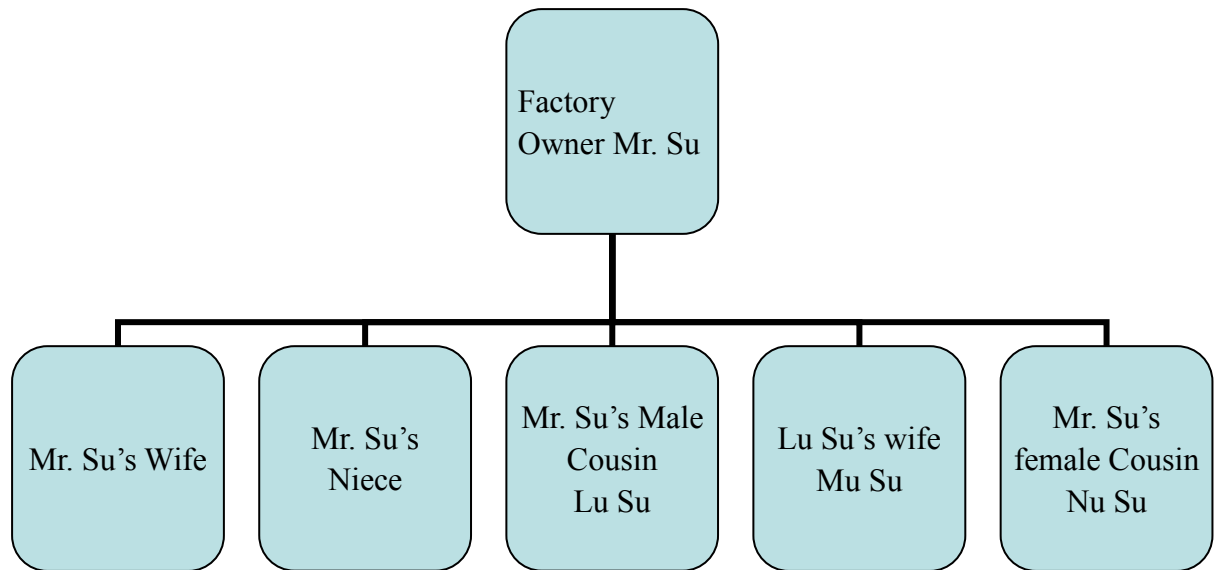
Authority Structure

As Hamilton maintains, “the head of the Chinese household, normally the eldest male, has a position of patriarchal authority vis-à-vis others within the household” (Hamilton, 2006: 227), especially when he is also the economically most competent one as Weber expects. Mr. Su is the master of the small household factory and he has absolute power over his family members who are simultaneously his workers.

As mentioned earlier, there are altogether six workers in Mr. Su’s factory. Mr. Su is at the same time the owner and the worker himself. He is constantly looking for outsourced orders for his factory which reinforces the family members’ sense of dependence on him and he is working as hard as others inside the workshop. Mr. Su is the one that decides which outsourced orders to take or not and in what sequence, the work time of everyday and the work arrangement amongst workers if necessary and the purchase of food and other daily necessities, etc. If he is too busy outside the factory, it is the other younger male---Mr. Su’s cousin Lu Su who will follow Mr. Su’s instructions and fulfill some of the tasks like purchasing food outside the factory. This is also consistent with the traditional custom that males are in charge of external affairs while females are usually bound to domestic affairs.

Although Lu Su’s wife Mu Su, younger sister Nu Su and his mother are all in the factory, with the presence of Mr. Su, they all submit to the authority of Mr. Su rather than Lu Su given the traditional norms of Chinese extended family. Mr. Su’s wife and niece, on the other hand, undoubtedly submit to Mr. Su’s authority. Chart 1 offers an illustration of the authority structure in the factory.

Chart 1: Authority structure in Mr. Su's factory



Discourse and Practice

General Procedures of Bag Production

Before examining household production practices, it is important to understand the basic knowledge of bag making which is prevalent in the tens of thousands of rural households in Baigou. The comprehensiveness of bag production procedures is also a reflection of the household factories' niche in the Baigou industrial district.

Bag making has many different procedures but generally there are three most important categories: Cailiao (cutting); Taimian (Taimian refers to both the many bag procedures done on a big table and the big table itself), Chewei (sewing machine). Cutting means cutting the bag materials into designed pieces for processing on Taimian and sewing machine. There are two major ways to do cutting: controlled machine cutting and manual cutting. Both are deemed skilled jobs while operating cutting machine requires more experience and is more dangerous (most serious injuries in Baigou are caused by cutting machines). When the materials are ready, they are processed on Taimian (big table). Taimian has the most variety of work⁴ such as Zhebian (folding), Shuajiao (glue pasting), Huawei (using a mercury pen to dot certain places on a piece of cloth or bag material), Dayawei (digging very small holes in the appointed spots of bag materials), and so forth. It also includes Dawujin (metal accessory attaching) and Baozhuang (packaging) which are sometimes considered separate procedures though they are done on the same Taimian tables. Packaging is the simplest Taimian work in the workshop which cleans the finished bag products and put them into plastic bags; metal accessory attaching is nailing metal parts like buttons into the bags. It doesn't require much skill but it calls for strength and precision (otherwise you may hurt yourself badly with the hammer) so it's mostly done by male workers; other Taimian procedures fall between packaging and metal

⁴ For a more comprehensive understanding of Taimian work and bag making procedures, please see the appendix.

accessory attaching in that the work is easy but some training is needed to carry the work out well. Sewing machine work requires much more training and practice than Taimian work and is considered skilled work. There are two types of sewing machines: lower sewing machine for processing normal bag materials and higher sewing machine for processing harder bag materials. Higher sewing machine requires at least two or three years of training so it's considered highly skilled job. There is also some distinction between processing internal and external bag materials on the lower sewing machine because internal material is easier to sew thus requires less skill and experience. In most cases, cutting work is the first step, Taimian (except packaging) work is the second step, sewing machine work is the third step and packaging is the last step. However, given different bag designs and styles, Taimian and sewing machine work intersects with each other from time to time.

Although household factories consider certain types of work such as cutting, sewing and some Taimian procedures as skilled work, in reality even if we compare these household factories to early western industrial economies, as Voss distinguishes three types of less-skilled workers in 1830s America including outworkers who were involved in manufacturing like clothing and shoemaking, unskilled laborers who were involved in transportation and construction and factory operatives who were employed exclusively in the cotton textile industry (Voss, 1993), almost all workers in Baigou should be categorized as unskilled or less skilled workers and the whole industry should be characterized as low-skill industry.

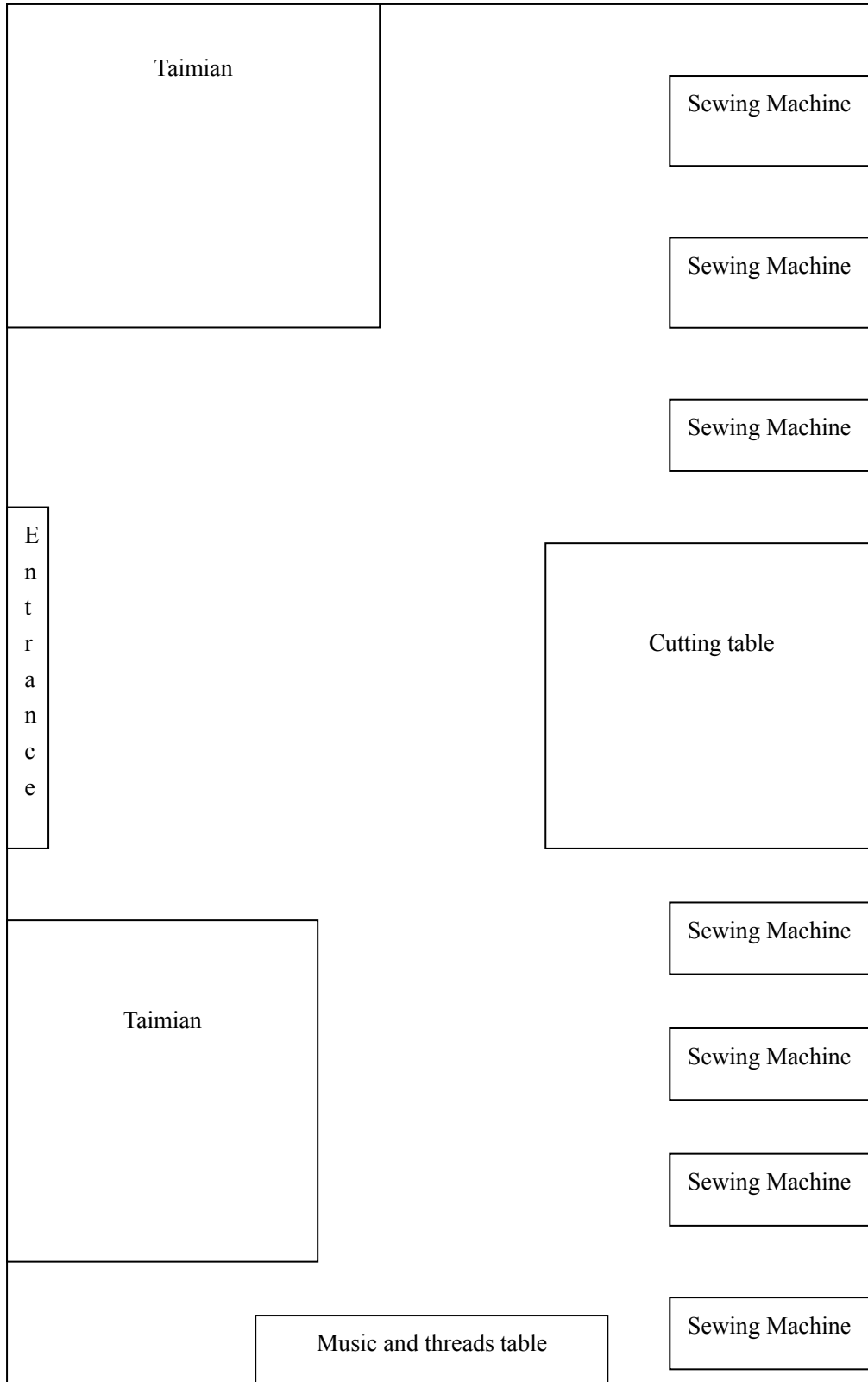
Space and Time

Mr. Su's household factory is located at the end of Sunshine village, close to the fields. The space is rented from Mr. Zhao for 15,000 RMB a year. It is a row of rooms at the south side of Mr. Zhao's big yard. The workshop is about 200 sqft; there is one Taimian in the southeast corner, one Taimian (serving mainly as cutting table) in the middle near the entrance and another in the southeast corner. Seven sewing machines stand in a row against the north wall. At the end of the workshop is a small table with all colors of threads and music set on it. There are bag materials all over the place, with raw cut materials more on the south side near the entrance and some half-finished women leather bags are piled up near the sewing machines on the north side. Surrounding the workshop are one kitchen and four bedrooms.

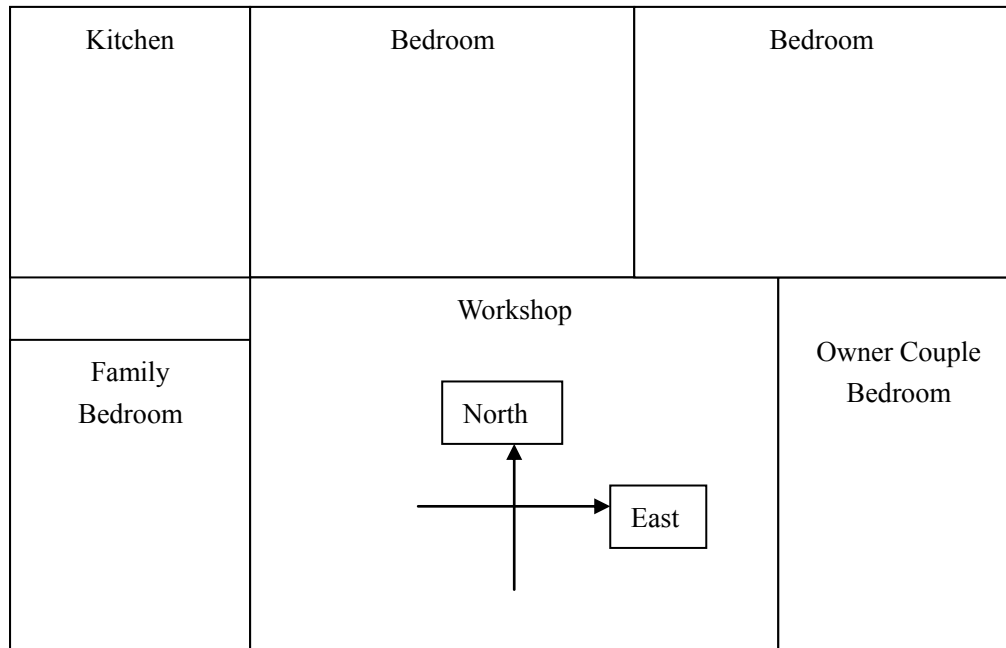
The first room in the northwest is the kitchen where simple cooking tools are kept. A small bedroom near the kitchen is behind the artificial wooden wall of the workshop at the west side. This is the bedroom for the Lu Su and his wife Mu Su. The last room in the east is the owner couple's bedroom. It doesn't even have an artificial wall to separate it from the workshop. The only separation is a large thin curtain with a part of the curtain serving as the door. Two other bedrooms are on the north side of the workshop and each of the two bedrooms has two beds in it. The female cousin Nu Su and the niece share one bedroom and the old lady and the baby live in another bedroom.

Below are two pictures showing the structure of the workshop and the overall structure of the work-life compound.

Picture 1: Structure of the workshop



Picture 2: Overall structure of the work-life compound



There is no fixed schedule for work but only approximate ones. Work starts roughly around 8:00 am in the morning. The old lady starts cooking lunch between 11:30am and 12:00 pm and lunch break begins whenever lunch is ready. Meals are taken into the workshop and everyone eats their food inside the workshop. After lunch, everyone takes a nap and wakes up around 2:00 pm. Afternoon work therefore starts around 2:00 pm and ends around 7:00 pm when dinner is ready. After a little dinner break evening work begins around 8:00 pm and ends when the owner calls everyone to stop. It may be 10:00 pm or 11:00 pm depending on the amount of work at hand. There is no concept of extra hour or whatsoever in the household workshop. There is no concept of weekends or holidays either. The workshop has only one day off each month, usually on the 1st of each month. Otherwise, the only holidays are spring festival and middle autumn day.

Such space and time arrangement offers almost no distinction between family and factory, work space and living space as well as work hours and rest hours. Production is mainly carried out in the workshop but sometimes it's also done in workers' bedrooms; workers not only eat in the workshop, they often sleep on the workshop floor when the weather is too hot. Even on the designated rest days like the 1st day of each month or during slack seasons, workers hang out more together in the workshop, sometimes talking, sometimes playing with cell phones and other times still working from time to time. Only on a few occasions will they go shopping on Baigou Township given that they need to catch a bus to go there while a shopping center in a place like rural Baigou is not as attractive as those of big urban cities. Overall, workers' work and life is embedded in the same household, and their familial connections are reinforced through household production.

Family Work Dynamics

In the factory, the owner is called “Ge” (brother) by the cousins and the feeling of “brothers and sisters” is strong on the shop floor. Though the familial relations are real rather than fictive, the titles suggest closer familial relationship than the actual ones.

Mr. Su is directly engaged in production and the production line in the workshop is relatively stable. The two men Mr. Su and Lu Su are engaged with all sorts of Taimian work, and unlike many other places, attaching metal accessories is not a specific work type but an integral part of their Taimian work. Although there is a cutting table, no cutting work is needed because most outsourcers have already cut the materials for them to process. Only in rare cases would they use the table for cutting. The four female workers all stick to their sewing machine work, but there is a difference in their skill level and work type. Mrs. Su and Mu Su (the wife of the male cousin Lu Su) are more skillful and experienced so they are dealing with Waibu (sewing the external layer of bags) on lower sewing machines and using higher sewing machines when necessary. In contrast, Nu Su (the female cousin, the younger sister of Lu Su) and the niece are less skillful and experienced sewing machine workers so they are dealing mostly with Libu (sewing the inner cloth of bags). The normal productive capacity is between 20 and 100 bags per day depending on the complexity. In most cases, production flows smoothly in the workshop without any instruction or explanation from the owner. However, if deliberation or special arrangement is needed, the owner would discuss with the family to reach a consensus before execution.

The baby is a constant highlight of the workshop life. During work workers talk occasionally about the baby's funny moves and sometimes play with the baby for a while. From time to time, the baby's young mother stops her sewing work and feeds her baby on the sewing machine, on the ground floor or outside the workshop on the village road. She might also take the baby for a walk along the greed fields and sing to him. When the baby falls asleep, the old lady would do simple bag-related work in the factory to facilitate the production process until the baby wakes up or it's time for her to cook for the family.

Eating snacks during work is common, and the young female workers especially like to buy snacks like ice-cream and candies for sharing with their family members. Everyone is free to walk around/outside the workshop for work or non-work reasons, and conversation and laughter is frequent inside the workshop. Their conversation covers a wide range of topics, ranging from family related issues to bag fashion trends and even world politics (though their understanding is very limited they still enjoy gossiping about it).

Not only the atmosphere is relaxed, work sometimes becomes entertaining games among family members. One day the owner returned with cut, raw bag materials from an outsourcer. He moved all the materials into the workshop and put them on the floor. Mrs. Su stopped her work on the sewing machine and began

helping her husband with material sorting. Everything was normal until they came to sort and count the extremely long, black belts. Each of these long belts was supposed to be cut in three halves for processing. The procedure wasn't done by the outsourcer yet but was handed over to the household factory. The owner couple had to stand in the middle of the workshop, both lifting one end of the belts up in the air and swinging to unravel them. The belts were so long and entangled that sorting became a little game between them, and everyone watched and made fun of them. Nonetheless, work continued well in the laughter.

Regulation and Fines

According Mr. Su, there is no need for regulation or fines because they are a family:

“Those regulations are only for big brutal factories. We are all family members, fines or punishments are never present in our workshop. No one will make mistakes intentionally, and we all want the best for the family. There was once that a worker did the sewing work up-side-down and we had to re-do the whole order all over again. There was another occasion that we understood a complicated bag style inaccurately and in the end we got no payment at all and I had to compensate the outsourcer for material loss. Even under those circumstances, I have never fined anyone for their work errors.”

“What about leaves? Let's say if a worker gets sick and needs to go to the hospital. Is there any deduction of wages?” I asked. “Of course not! They are free to leave the workshop even at normal times. Some of them like taking some fresh air during work and that's totally ok. However, they are aware of their duties too so they usually wouldn't leave their work for no reason or too long. If they get sick, I will order them to leave and rest. And if they are really ill, I will take them to the hospital myself.” the owner said.

Indeed, no one has been punished or fined for making work errors or taking leaves, but when such things happen to a certain extent, the owner couple would send them a signal. For instance, there was an occasion when the niece was doing some sewing machine work in a less accurate way. “This is wrong!” Mrs. Su didn't shout loudly but the tone suggested that she was dissatisfied. The niece showed a guilty face and asked Mrs. Su to teach her the right way. Mrs. Su stood at the other side of the niece's sewing machine, overlooking face to face with the niece and pointed at different places on the cloth for her to sew. While overseeing the niece's work, the female owner made a phone call to someone. I didn't know who she called, but one could easily tell from her tone that she was unhappy at the moment, probably due to the mistakes the niece had made. Sensing the tension, the female cousin Nu Su came over to teach the niece voluntarily and asked Mrs. Su to cheer up and continue her own work. Then the niece and the cousin smiled to each other and went on with the work.

Generally speaking, tension is very rare in the workshop, and whenever it occurs,

other family members will intervene to mitigate it in familial ways. As Mr. Su noted, self-discipline is enacted as duties of family members which guarantees the smooth running of the household factory.

Wage

Mr. Su claims to have offered a higher wage for his family members than the average market wage they could get from other factories. “You know, they are my family, and I should give them more if I can.” He smiled.

For his cousins who are skillful sewing machine workers and Taimian workers, the owner said he offered them over 2000 RMB a month, with slight differences due to their skill level (e.g. Mu Su got more than Nu Su because she could operate higher sewing machines). He also offered over 2000 RMB for his wife who was new but smart and skillful enough, and less for his niece who was a sewing machine rookie and needed more training. He was unwilling to elaborate the exact and detailed wage differences between the workers, but he was confident and proud that he was offering better wages than they could normally get. “And most important of all is for us as a family to stay together and make money together.” He said. I asked him if the workers knew each other’s wage. He laughed loudly: “Of course they do! There are no secrets among family members!”

Wages are distributed to workers only at the end of the year. However, the workers don’t get their wages before they leave the factory in Baigou but after they all get back to their hometown in Henan Province.

“I will buy the train tickets to Henan Province for all of us near the spring festival, and we go home together. Only in this way can I guarantee that their money is safe and will reach their big family back at home. If I give them the money in Baigou, it might get stolen on the way home. Everyone knows that there are many thieves during the spring festival season.”

His tone sounds like a big brother protecting the family from the dangers in the outside world. “Do they get any money during the working year?” I asked Mr. Su. “Sure.” He replied:

“They can ask me for allowances whenever they want. There is no fixed time for allowances distribution. The normal amount is about 100 RMB or 200 RMB for them to go shopping. If they have special needs, they could always ask for more. I have a notebook to keep track of their allowances. Once they ask for some allowances, I will write the name, date and amount of allowance down in front of them. You see, I do this not because I don’t trust them or that they don’t trust me. It’s only because a year is a long time, and I as well as themselves sometimes are unable to remember every allowance request. Such bookkeeping can make things fair and easy. As the old Chinese saying goes---‘Qin Xiong Di Ming Suan Zhang’ (brothers should settle their money relationship clearly)’ ”

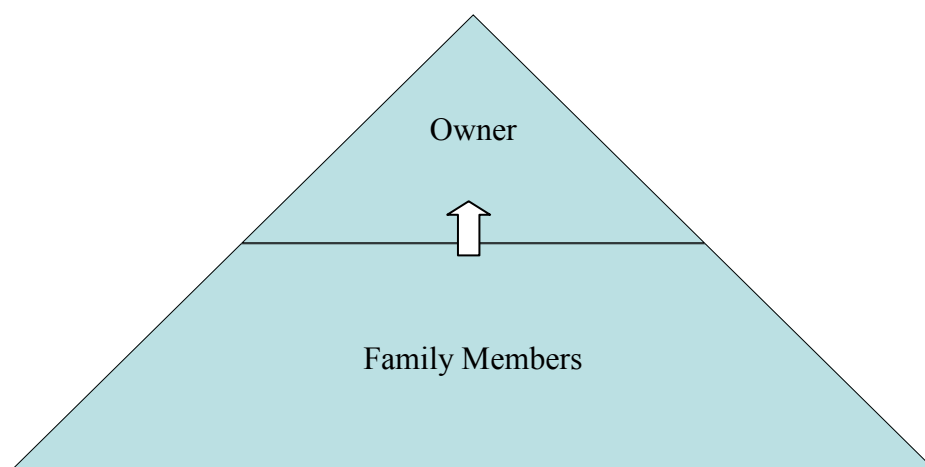
Workers admit that Mr. Su is offering a little bit more money than the average wage in other Baigou household factories and that they do know most others' wage. Moreover, when there is work stoppage due to lack of outsourced orders, workers can take time off with no deduction of wages. However, none of the workers stay in Mr. Su's factory just because the wage is a few RMB higher. "I stay here because I prefer to work and live with my family." Almost every worker has the same attitude. The old lady for example is not even paid a wage although she does work from time to time and takes care of the whole family.

Loyalty Structure

In a recent book *Commerce and Capitalism in Chinese Societies*, Hamilton demonstrates that Chinese family relationship are still defined in terms of *xiao* (best conceptualized in this context as "obedience to patriarchy") and more broadly in "family enterprises, where the boundaries between households and firms are ambiguous, hierarchical obedience based on the norms of filial piety (*xiao*) is the normative expectation. These expectations are most evident when the firms are small and use mostly the labor of household members." (Hamilton, 2006: 229) Though Hamilton's argument is mainly based on research in Taiwanese family enterprises, it generally still holds true for household factories in Baigou whose loyalty structure is much rooted in the concept of filial piety and is consistent with the familial hierarchy.

The concept filial piety has multiple meanings in Chinese society given different contexts. For instance, son's obedience to father, wife's obedience to husband, younger brothers/sisters to older brothers/sisters, etc. are all integral part of the "xiao" system. In Mr. Su's small household factory, Mr. Su is the patriarch who centrally controls all the resources and distribution power. Other family members show their loyalty/filial piety to him in one way or another depending on their relationship to Mr. Su (see Chart 2).

Chart 2: Loyalty structure in Mr. Su's factory



Lu Su is a great example. Lu Su is the male cousin of Mr. Su who encouraged Mr.

Su to open this household factory in Baigou and brought his wife Mu Su, younger sister Nu Su and his mother together to work for Mr. Su. Lu Su is a young man in his late 20s, and he started working in a bag factory in Guangzhou in 2002. He stayed there for 3 years and learned all necessary skills for making bags. Then he came to Baigou as a skillful cutting worker and worked in a factory on the Township for 3 years. He met his wife Mu Su there and together they worked in Baigou for another 3 years. At the same time, Lu Su's younger sister Nu Su has worked in Guangdong's bag factory as well as other factories for several years and she is happy about the urban life style though she hates the strict management. When Mr. Su told Lu Su that he had accumulated some money over the years and was thinking about running a small business of his own, Lu Su was very supportive along the way. He quit his own job in Baigou as a cutting worker which earns him about 3000 RMB a month to work as Taimian worker for Mr. Su for only 2000 RMB because there is little cutting work to do in the small household factory; he persuaded his wife and younger sister to come and work in Mr. Su's factory for less money than they could make elsewhere; and he invited his mother to take care of the whole family in Baigou. "You know," Lu Su said to me: "Mr. Su is a very determined and diligent man. He has worked in many different industries in different places and has accumulated much experience and network. I have always admired him and I am most happy to work with him as a family. Although this is the first year for us to run a household factory, I am sure we will be able to sustain and expand it in the near future!"

On the other hand, the niece's opinion is even simpler. "My uncle has been very nice to me since I was little. I am happy to work for him." She said. When I asked her what her wage was like, her answer surprised me:

"I don't know my wage. I don't know if I will get a wage. My uncle has never talked with me about wage before. Or maybe he has talked about it with my parents and my parents didn't tell me. We'll see what happens at the end of the year. Anyway, I don't think it matters. After all, I am learning so many new things in here and I am really grateful that my uncle takes me to Baigou with him."

Perhaps only under this particular familial factory regime that loyalty manifests itself in such a way that a hard-working worker doesn't even mind if she is getting paid or not.

Reproduction of Labor

Not only the sense of family unity is rooted in blood-relationship and strengthened by working day-to-day together, but also "the objective basis of solidarity is the permanent sharing of lodging, food, drink and everyday utensils" (Weber, 1978: 1008).

In the factory, accommodation and food are all covered by Mr. Su. The owner couple, the cousin couple, the female cousin, the niece and the old lady all have relatively private bedrooms to themselves, though the furniture is simple. Meals are

prepared by the old lady, and most of the time the food is noodles (a favorite main food for Henan locals) served in different ways. The owner and the male cousin are the main food purchasers for the family who ride their tri-cycles to the food market a mile away to buy the food they and their family members like. When summer heat waves hit the region, the owner is generous in buying lots of watermelon and bottles of iced water for the workers, and the whole family would enjoy them together happily.

No one in the factory has got any sort of insurances, but the owner claims that he would cover the family members' medical expenses if they get sick or injured just like he always covers their roundtrip transportation expenses between their hometown and Baigou.

Perhaps most important of all is the right to raise a baby inside the workshop. It is a unique scene in the household factories, especially with much child rearing cost covered by the owners. As a real family, every worker is entitled to such a right and for some of them it is precisely the reason for them to work in a household factory.

Summary

In this chapter I have explored the factory regime of Mr. Su's small household factory. There is limited capital investment and limited access to market and political relations. Workers are all Mr. Ma's family members including Mr. Su himself, giving rise to a patriarchal factory regime in which Mr. Su controls all household resources and family members render absolute loyalty to him. Reproduction is a right to all family members, and they enjoy the little common wealth as a family.

However, the concept of "family" does not stop at blood-relationships as in Mr. Su's small household factory. According to Fei, "in Chinese, the word *jia* (family) is used in many ways. *Jialide* (the one at home) can mean one's wife. *Jiamen* (kinsmen) may be directed at a big group of uncles and nephews. *Zijiaren* (my own people) may include anyone whom you want to drag into your own circle, and you use it to indicate your intimacy with them. The scope of *Zijiaren* can be expanded or contracted according to the specific time and place" (Fei, 1992: 62). In the next two chapters, I will show how the principle of family and familial relationships is reconstructed in Mr. Ma's paternalistic household factory and Mr. Li's patrimonial household factory.

Chapter Four

Mr. Ma's Paternalistic Household Factory

A young man goes around the workshop to collect bag belts in a basket and put them in front of a median aged man on the high temperature folding machine. "Hey, bro, you've got to finish these as soon as possible coz other workers are waiting for them". The man on the machine looks up and replies politely: "Yes, Sir!"---- Ironically, the young man is an ordinary worker while the median aged man is the factory owner.

This is a typical scene in Mr. Ma's median factory at the far end of industrial park. The owner couple of the factory is Mr. Ma and Mrs. Ma. Mr. Ma is an almost bald man in his forties and Mrs. Ma is a pretty woman in her thirties. They both started out as migrant workers themselves. Mr. Ma is from Meishan, Sichuan Province and Mrs. Ma is from Dengzhou, Henan Province. Both Meishan and Dengzhou are poor rural hinterlands in China. Mrs. Ma's older sister began working in Guangdong Province in 1993, and Mrs. Ma was brought there a year later by her sister. She had worked at different places including Guangzhou, Panyu and Huadu (the center of bag production in Southern China) and met her husband Mr. Ma in a bag factory there. Mr. Ma is a very smart young man and it took him less than a month to pass from a bag production rookie to a master and designer, and his salary rocketed from 200 RMB to 2000 RMB. As time went by, Mrs. Ma also acquired the knowledge and skill of every procedure of bag making. After they accumulated more money, they decided to start their own bag factory in Baigou because some friends told them that Baigou was a good place for that. So Mr. Ma came to Baigou for a week to see what it was like, and then he brought his wife here to work in a local bag factory for two months before opening their own little bag factory in 2000.

In the beginning, the only workers they had were all family members except for two friends they made in Guangdong. Altogether there were twelve people: Mr. Ma's two brothers and their wives; his younger sister and her husband; Mrs. Ma's younger brother and his wife; Mr. Ma and Mrs. Ma themselves and their two friends. The owner couple posted flyers of "recruiting workers" in front of their small factory and their parents helped introduced villagers from their hometown to be workers for them. Gradually their factory got bigger and some of the family members began to start their own business. Mr. Ma's older brother and his wife opened a bag factory of their own in Baigou; Mr. Ma's younger sister and younger brother opened a restaurant on Baigou Township while their husband and wife stayed in Mr. Ma's factory; Mrs. Ma's younger brother stayed in the factory while his wife now became a full-time mother of their 7-month old son. And their two friends from Guangdong also opened a bag factory of their own in Baigou. At the time of my investigation, the factory had over 20 workers (most of whom are fellow villagers of the owner couple), which

constituted it as a typical median sized household factory in Baigou industrial district.

Market/Political Relations

Mr. Ma's factory is both producing for foreign and domestic bag orders. Before 2008, they were engaged in producing for foreign bag orders mainly. They had connection with a market agent in Beijing Bag Exhibition Hall who delegated their foreign bag samples. They also had and still have a bag sample room on Tianjin Street (far away from the factory) which is co-funded and operated by Mr. Ma, his older brother and his friend. This bag sample room exhibits foreign style bag samples, and is open only to acquainted clients and patrons who are middlemen in foreign bag business and whom they have known through personal relationships over the years. It employs three bag designers and three skilled workers who are capable of producing the whole bags by themselves. Every day, each bag designer produces three bag designs on average, and each skilled worker produces three bag samples based on the designs. Some of the designs are original while many others are imitations or innovations based on fashionable bags they buy from bag markets in other places or from pictures in the magazines or on the internet.

After the global economic crises in 2008, foreign bag market shrank greatly, so Mr. Ma and Mrs. Ma turned their production more inwardly for domestic market. Mr. Zhu (Mr. Ma's brother-in-law) is the main designer for their domestic products. Mr. Ma travels a lot to collect new bag styles nationwide, and Mr. Zhu designs bags through imitation and modification in the domestic bag sample room inside the factory. Mr. Zhu is at the same time a bag designer and a material buyer. When a new order comes in, he is responsible for buying necessary bag materials and accessories. Most materials are bought in Baigou while some are demanded by clients to be delivered from Guangdong. Mr. Ma also does designing work himself. The best designed styles are sent to a market agent who exhibits their samples (as well as 7 other factories' samples) in his booth in the Baigou Bag Exhibition Hall. This market agent has been a business partner for Mr. Ma and Mrs. Ma for over 10 years in Baigou, and it is his son that used to be the market agent for Mr. Ma and Mrs. Ma in Beijing. For each style of bags, Mr. Ma gives the market agent a factory price depending on the cost and the market agent sells them at a market price set by himself so that his profit come from the difference between the market price and factory price.

Sometimes Mr. Ma's factory have more bag orders than they can handle on their own so they will outsource some of the orders to other household factories, which are usually but not necessarily smaller than theirs. This year they outsourced their orders mainly to two household factories that were both run by Sichuan people. When the owners of the two household factories came to the Mr. Ma's factory to fetch the cut and sorted materials, Mr. Ma and Mrs. Ma always had a pleasant talk in Sichuan dialect with them. Under certain circumstances, they may also do outsourced orders for other (usually bigger) household factories.

Unlike the tens of thousands small household factories in the villages, Mr. Ma's factory as a median factory that resides in the industrial park does need to pay some

taxes. However, the registration and tax records are so informal (e.g. the factory assets, annual production value and number of employed workers are reported to the local government by the factory owners themselves rather than evaluated formally) that Mr. Ma and Mrs. Ma always try to establish and maintain good relationship with certain local government officials in order to lower their taxes and fees. The way to do it, is also to mobilize or reconstruct individualized familial relationships or friendships with the officials through some sort of economic bribes including sending them free bags as gifts; inviting them to banquets and luxury entertainment; losing money to them intentionally on the card games, and so forth.

Such an interpersonal political relationship is crucial for the survival and development of the factory in other aspects too. For example, around 2002 when the infamous “poisonous benzene”⁵ incident gave rise to several strong waves of factory safety inspections in Baigou, many factories in the region were forced to shut down. In fact, not a single factory in Baigou could pass the basic safety inspection because they are all unsafe, and Mr. Ma’s factory is not an exception. However, the local officials would notify Mr. Ma and Mrs. Ma about coming safety inspections and sometimes even help them prepare for the inspections. That’s how Mr. Ma’s factory survived and developed throughout the years. Today there are still periodic factory safety inspections in Baigou, and Mr. Ma’s “brothers and friends” in the local government continue to help them out with the inspections.

Sometimes, this individualized political relationship goes beyond the focus on bag business. There was once I was invited by Mr. Ma to join him in a fancy lunch with his “Brother Mr. Wu”, a powerful figure from the local government. They have known each other since Mr. Ma opened his factory in Baigou, and they have maintained a “brotherhood” like relationship for over 10 years now. Over the lunch they have been discussing the possibility of cooperating on a cultural real estate project that could earn both of them over millions of RMB.

Organization of Work

In the median household factory, given its stable access to market and political relationships and its fixed composition of workers, the household master Mr. Ma adopts the control strategy which is a particular form of paternalism. Paternalism is a form of domination developed from the concept of patriarchy that spreads to the domains of economy, politics and culture. The definition and usage of the concept of “paternalism” remains fuzzy in the literature. It has been widely applied on three different levels: personal, organizational and state. In the heart of the concept is the denotation that a certain degree of fatherhood-like benevolence exists to govern the behaviors of its subjects for their own good.

In addition to the element of benevolence, my application of the concept of paternalism is based on the specific characters of the median household factory in that

⁵ In winter, 2002, six female migrant workers died of poisonous benzene contained in the glue in Baigou. This tragic incident has aroused a great deal of report by media and attention of publics and government officers.

power is centralized but governance is done through the family rather than by the family. This shares some important features with the paternalism found in the 19th century Lancashire:

“The emerging paternalism was rooted in workers’ dependence on a specific employer. This was reinforced by the employment of more than one member of the family in the same mill. According to Joyce, the family became a potent instrument of incorporation and deference in many of the mill communities. Rather than exhibiting a linear differentiation, as claimed by Smelser, the family was now reconstituted within the context of paternalism.” (Burawoy, 1985: 97)

Though workers’ dependence on a specific employer and the employment of more than one member of the family are important conditions for the emergence of paternalism both in Lancashire and Mr. Ma’s household factory, the social foundations for these two conditions to be in place are quite different. Besides the different configurations of market and political relationships compared with 19th century Lancashire, the employment of mainly family members and fellow villagers of the owners is crucial for such a paternalism to develop in Mr. Ma’s household factory.

As scholars of South China factories point out, localistic networks are critical resources for migrant workers in every aspect in their factory life (Lee, 1998; Pun, 2005). Such localistic networks may vary from a village to a county or a province depending on the context, and it is important glue for locals (lao-xiang) in dealing with other groups of workers and management. Although localistic networks are also critical in Baigou’s household factories like Mr. Ma’s, it has a somewhat different face. First, the locals who work in the factory are mostly from the same village as the owners (that’s why I call them fellow villagers instead of locals) rather than from different villages in the same county or different counties in the same province. In other words, the labor pool is concentrated in a very small geographic area. For factories passing from the pure family factory to larger scale household factories, the fellow villagers of the owners are the first and most important source of labor power to rely on. Second, contrary to using localistic network to fight against other workers groups or management, the household factory owners are themselves fellow villagers of their fellow villagers, creating a sense of unity. Moreover, a traditional understanding of reciprocity between fellow village households is still at work as demonstrated by Fei’s profound analysis of Chinese rural structure---the differential mode of association:

Rather, it is like the circles that appear on the surface of a lake when a rock is thrown into it. Everyone stands at the center of the circles produced by his or her own social influence. Everyone’s circles are interrelated. One touches different circles at different times and places.

In Chinese society, the most important relationship---kinship---is similar to the concentric circles formed when a stone is thrown into a like. Kinship is a social

relationship formed through marriage and reproduction. The networks woven by marriage and reproduction can be extended to embrace countless numbers of people--in the past, present, and future....In our rural society, this pattern of organization applies not only to kinship but also to spatial relationships...In the traditional structure, every family regards its own household as the center and draws a circle around it. This circle is the neighborhood, which is established to facilitate reciprocation in daily life....But a neighborhood is not a fixed group. Instead, it is an area whose size is determined by the power and authority of each center. The neighborhood of a powerful family may expand to the entire village, while a poor family's neighborhood is composed of only two or three nearby families. (Fei, 1992: 62-64)

Because factory owners' reputation and social influence back in their village is established and furthered by their fellow villagers who work in their factory, which not only is an important end in itself but also in turn will facilitate recruiting workers from the workers' own family/network as well as expanding business, factory owners are inclined to be paternalistic in running their household factory.

Authority Structure

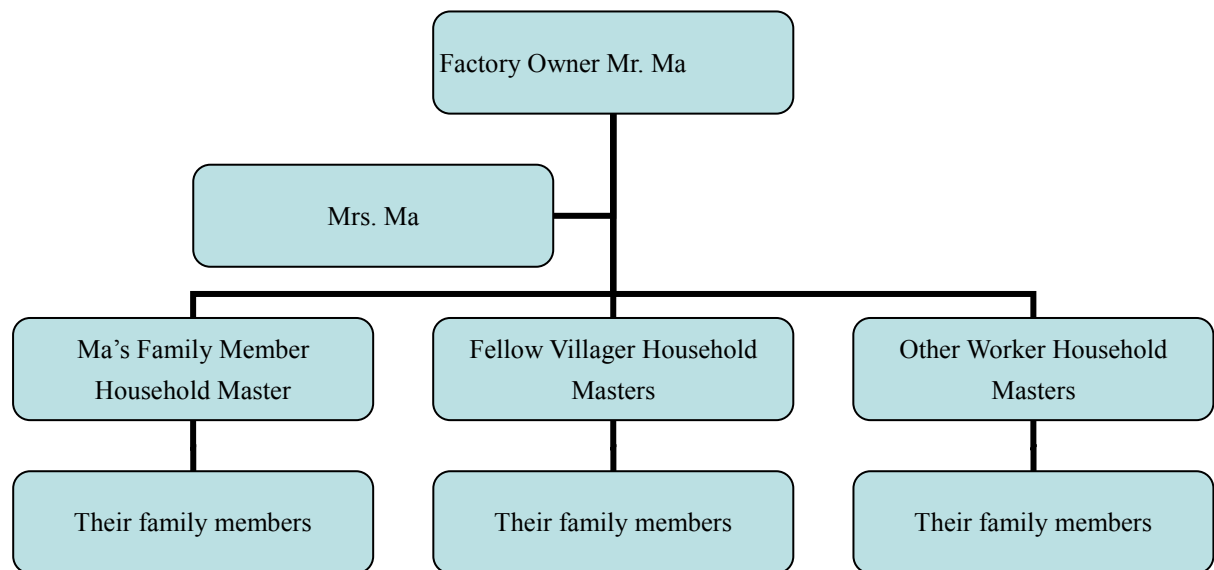
In general, there are mainly two sets of people who work in the factory. The first set of people is Mr. Ma's relatives and the second set of people is the Ma couple's fellow villagers. There are also a few workers (four workers to be exact at the time of my investigation) who are from other counties of Hebei Province not far away from Baigou. The household master Mr. Ma is at the top of the authority structure and he is at the same time a worker in the factory and a bag designer who goes around China to collect new bag styles or explore market opportunities. Mrs. Ma on the other hand is mostly engaged in day-to-day production inside the factory with other workers. When Mr. Ma is not working in the factory, Mrs. Ma takes care of production-related issues.

Authority concentrates in the hands of the owners, and every worker respects the power of Ma couple. However, there is also a sub-level authority that exists among the workers, and this sub-authority is based on the special nature of the workforce. When examined closely, all different sets of workers share a common theme: that they are not working alone as individual worker in the factory. Instead, most of them have their own family members working with them. More precisely, besides the Mr. Ma's own big family, there are six other small worker families working side by side in the factory. Put it in another way, Mr. Ma's factory is consisted of worker families. In many cases, one worker starts working for Mr. Ma through kinship or ethnicity network and gradually he/she brings his/her family members to the same factory and forms a long-term family employment relationship with the owner. Usually the authority of each household master over his family members is not only built on his/her status in the family but also because he/she is more skillful and experienced than his/her dependents in terms of production. Therefore, inside each worker family, the household master has authority over his/her family members while overall the

worker family submits to the authority of the owners.

In addition, albeit less obvious, there is a subtle relationship between Mr. Ma's family members, fellow villagers and outside workers. None of them exercise direct authority over the others but sometimes Mr. Ma's family members may give work instructions to the fellow villagers and outside workers. And in rarer cases, the fellow villagers may instruct the outside workers because the fellow villagers have stayed in the factory for much longer time thereby is more experienced than the outside workers. Whichever the case, all authority relationship in Mr. Ma's factory exists in a familial, friendly, and peaceful way (see chart 3).

Chart 3: Authority structure in Mr. Ma's factory



Discourses and Practice

Space and Time

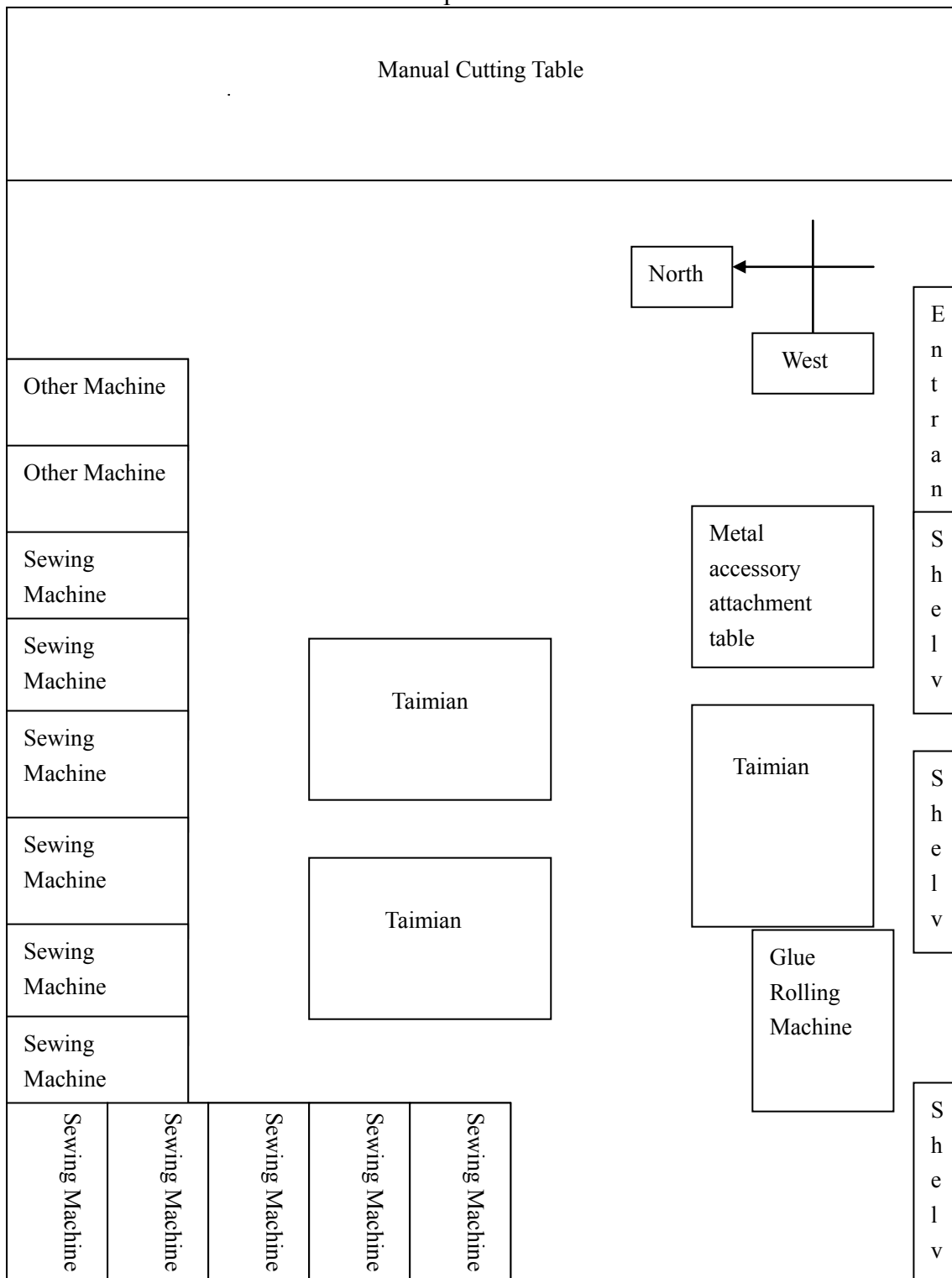
The factory is located at the far end of the industrial park, distant from the main road. Though located in the industrial park, the factory is constructed as a typical northern Chinese rural household with a central yard. The yard is relatively small, with some junks and bag material remains near the entrance---a typical red Chinese gate. No factory name board appears outside the gate, and the two dogs will bark loudly whenever a stranger comes in. Few people will pass by unless they are visiting the place purposefully.

An “office-living room-dining room-bedroom” compound for Mr. Ma and his family members is on the first floor. The central part of the compound is a rectangular “office-living room-dining room” mix where an office desk stands near the north wall, some sofas (with bag materials on them) sit against the west wall, a dining table and some chairs stand near the east wall, and a TV set, a refrigerator, a drinking water set and an air conditioner stand near the south wall and window. There are four bedrooms connected with the “office-living room-dining room” mix on each corner of the rectangular space, and these are the Mr. Ma's family members' bedrooms.

The main workshop is on the second floor (see picture 3). The main workshop is

about four times bigger than Mr. Su’s workshop. It has a table near the entrance for attaching metal accessories. There are three Taimian tables in the median of the room and three metal shelves standing near the windows with bag accessories. Between the metal shelves is a small glue rolling machine. Against the east wall is a long table for manual material cutting and against the north and west walls and windows are 13 machines including mainly sewing machines as well as edge cutting machine and the high temperature folding machine. Only two electric fans hang on the north wall and no venting devices are found. The finished bags are piled up and placed in the median of the room in paper boxes.

Picture 3: Structure of the workshop



Workers' bedrooms are on the third floor. I call them bedrooms instead of dorms because most of the rooms have only one big bed or two small beds. Workers are free to choose to live alone or with preferred roommates. Altogether there are eight bedrooms, with one entrance to seven smaller private/twin share rooms and another entrance to a bigger room with three beds. The hallway is clean and none of the rooms are locked. There are restrooms located between the stairways, and workers' washing place (for teeth cleaning, face cleaning, hair wash, and laundry, etc.) is in the outdoor space on the roof of the building.

Work starts at 8:00 am in the factory. The work time is from 8:00 am to noon, 1:30 pm to 6:00 pm and then 6:30 pm to 10:00 pm. They sometimes get off work earlier than 10:00 pm if the work load is not too heavy. On very few occasions they might work extra hours to fulfill certain orders. There are neither weekends nor holidays in the factory but only two days off each month, mostly on the 1st and 15th of that month.

In this way work and living spaces/time are overlapped in the household. Factories are embedded in the family life and their layout follows that of the typical, northern Chinese style rural home. Such layout blurs production space and living space, public space and private space as well as work time and rest time.

Discourses

The workers in the factory are mainly from rural hinterlands of three different provinces: Sichuan Province, Henan Province and Hebei Province. Except for the four workers who are from Hebei Province and who were introduced to the factory by relatives or friends, the rest of the workers are all the owner couple's relatives or fellow villagers. The gender ratio of the workers is somewhat even while their ages range from 10 to over 50 years old, with a majority from 15 to 35 years old. Many of the workers have worked in this factory for a long time, and during each spring festival (the only holiday and the most important recruiting season) and throughout the year, senior workers will try to bring their relatives or fellow villagers to be new workers for Mr. Ma and Mrs. Ma.

Among the workers, some are the owner couple's family members as mentioned earlier. Mr. Ma's brother-in-law and sister-in-law as well as Mrs. Ma's younger brother stayed in the factory from the beginning, and they are skilled workers who to a great extent acquired their skill and experience in Guangdong Province. Besides the owners' big family, there are other six small worker families engaged in production. One is nuclear family---a couple in their forties with their 19 year-old son, one is a young man with his widowed mother who is now over 50 years old, one is an aunt with her 10 year-old nephew, one is a sister and brother, and the other two are a pair of teen sisters and a pair of sisters in late twenties. What is interesting is that the sister and brother are in "Gan"⁶ relationship to the owner family. It is with this special work force that the factory operates its bag production as well as "familial production".

In the factory, Mr. Ma is called "Erge" (second brother) because he is the second

⁶ It means that they are not related to the owners by blood but because they feel such a familial connection that they claim to be quasi-family members. Such a relationship usually requires a ritual.

son in his family and Mrs. Ma is called “Erjie” (second sister) because she is the second daughter in her family. Their own familial titles are brought into production that obscure their statuses as owners, and they try to reconstruct the labor relations as familial relations as a whole. Not only Mr. Ma’s own familial titles are accepted and legitimated, so are the workers’ familial titles. For example, an old widowed female worker is called Dajie (big sister) in the factory because she is the first daughter in her family, even though she is old enough to be Mrs. Ma’s mother. Everyone’s familial identity is somehow brought in and lived out on the shop floor and Mr. Ma and Mrs. Ma always stress to their workers that “we are a big family here”.

Team Work Dynamics

Though Mr. Ma’s factory is self-sufficient in carrying out all bag production procedures, no specific departments such as cutting, sewing, and packaging or leaders are designated. Instead, everyone is considered an ordinary worker and works together under same conditions in the same workshop.

Mr. Ma and Mrs. Ma are directly engaged in production alongside the workers therefore it is hard for a stranger to tell who owns or manages the workshop. One might only get some clue when Mrs. Ma is training a new worker or when a new order comes in which requires some explanation, material distribution and rearrangement of the production process by Mr. Ma or Mrs. Ma. However, since the majority of workers are senior workers who are quite familiar with most bag styles, it is more often the workers that self-organize the production process automatically.

In the workshop, Mr. Ma’s “Gan brother” works at the manual cutting table; the “Gan sister”, the nuclear family’s father and son, the pair of teen sisters and another young man work on the sewing machines. Among them, only the older teen sister works on the higher sewing machine. The old widowed lady’s son works at the metal accessory attaching table while she herself and another woman in her forties work at the packaging table. Because Mr. Ma and Mrs. Ma are masters of all procedures, they do whatever is needed in the workshop. Sometimes they at the Taimian work, sometimes they are on the sewing machine (both higher and lower), and sometimes they are attaching metal accessories. Mrs. Ma’s younger brother is also a master of bag production, and he works mainly on machine cutting and metal accessory attaching, and sometimes on sewing machines. Mr. Ma’s sister-in-law is a master only on Taimian work so she and the rest of the workers work on Taimian mainly. Given that there are many different procedures in Taimian work itself, rotation of work is frequent and Taimian workers have the greatest mobility and flexibility in the workshop. Although other types of work remain relatively stable compared to Taimian work, there are occasions when non Tiamin workers work on Taimian as well. Job rotate, as many scholars claim, reduces workers’ boredom and enhances work satisfaction.

Sometimes to speed up the production for certain orders, Mr. Ma and Mrs. Ma will operate the edge cutting machine and the high temperature folding machine. Edge cutting and folding can be done manually on Taimian but using machines can make the two procedures done faster and with better precision. The only problem is that the

machines are extremely dangerous to operate. Mr. Ma and Mrs. Ma act as responsible “adults” with regards to operating these two machines, keeping their “family members” away from the machines to protect them while placing the danger only on themselves. More interestingly, when seeing Mr. Ma and Mrs. Ma on the machines, workers will collect more materials to be cut or folded (some of which are supposed to be done by themselves manually) in a basket and deliver them to Mr. Ma and Mrs. Ma. That’s why the scene presented in the beginning of the section occurred.

Such a familial atmosphere prevails in the workshop. One afternoon, Mrs. Ma brought two double thin belts on Taimian to her husband and asked him what the right way was to sew them on the sewing machine. Mr. Ma looked at them for a minute and suggested a way. Mrs. Ma went to the sewing machine and was ready to sew the belts according to her husband’s suggestion. The sister-in-law from another Taimian heard the suggestion and made an alternative suggestion. Then the three of them had a long and loud discussion in the workshop, across the Taimians and sewing machines, and everyone else heard them and laughed. They also jumped in and made jokes about it, creating a warm atmosphere of familial discussion.

Regulation and Fines

Workers in the factory enjoy a lot of freedoms during work. Not only they can walk and talk freely, select their favorite music or radio program, drink water whenever they want in the workshop, but also they can just walk out of the workshop to go to the restroom or take a little break. Many male workers even smoke while working.

I asked Mr. Ma why he granted so much freedom to the workers. “You see, that’s the feature of Baigou production system” he said:

“Before opening my own factory, I worked in a Baigou factory for several months to learn how Baigou factory works. It is very different from that of Guangdong. The factories in Guangdong are much stricter on workers whereas in here the atmosphere is much more relaxed. If I had opened a factory in Guangdong, it probably will look very different. You have to “Ruxiangsuisu” (a Chinese saying meaning that you need to comply with the customs of different places when you enter them). In fact Baigou’s way has its own merits. We are like a big family now, and family members should enjoy more freedoms than workers but they are also responsible for the prosperity of the family. Therefore they are more willing to work and they always look for work voluntarily. In the end they might deliver the production target even better.”

According to Mrs. Ma, there is no need for regulation and fines in the factory because all workers are self-disciplined and willing to work:

They are all docile workers. They don’t fight, and they don’t incur trouble either inside or outside the factory. You know, after work at night, they will wash quietly and maybe play with their cell phone a little before going to bed; and on the rest days they

may do some shopping during the day but come back to the factory before dark. Once in a while there maybe small conflict between workers for work-related issues, and I will mediate and they will listen to me and be good to each other again soon. Sometimes there might be workers who are late for work, so I make a deal with them that they go to work on time and I will let them get off work on time. But if they are late three times during a month, the wages for their two days off each month are deducted. I only say so to scare them but have never really done that. Of course there are occasions when workers make mistakes and waste materials. But no one in the world is perfect and the workers themselves don't intend to make mistakes. So I have never punished or fined anyone for unintended work errors."

Workers echoed that they have never seen anyone getting fined or punished for being late or work errors. And if workers need to take a leave, as long as their request is reasonable, the owners will grant permission without any deduction of wages. A worker shared her feeling as follows:

"When I was new to the factory, I sometimes make mistakes and waste certain bag materials. Mrs. Ma has never blamed me for my work errors. Instead, she always teaches me patiently and I am much more familiar with all the Taimian procedures now. There was once my roommate and I slept over and failed to get to the workshop on time. Mrs. Ma came to our room and asked us to get up and work. We were not in any way punished for being late. Such things happen rarely because workers here usually take care of each other. For example, after lunch break when some workers wake up with their pre-set alarms after a nap, they would knock at other workers' doors to see if they have got up too. In fact, this whole place feels like a big family. Mr. Ma and Mrs. Ma are really nice people, so are their family members."

Another worker added:

"I have never heard of anyone getting fined in the factory but I have seen rewards. Several years ago I brought a friend from my hometown to work in the factory and Mrs. Ma gave me 1000 RMB as reward. They were already so nice to me and my family, how could I accept the money for just bringing a new worker? So I declined with thanks."

Indeed there is no formal regulation in the factory. But as the Ma couple and the workers pointed out, self-discipline is a key factor guaranteeing the smooth running of the factory and such self-discipline is realized to a great extent through the worker families themselves. Mr. Fang's family is a good case in point. Mr. Fang is a sewing worker in his forties and his wife and son both work in the factory. His son's sewing skills was taught by him and they are both responsible for sewing the Libu (inner cloth). In many cases Mr. Fang divides the tasks of sewing inner cloth between himself and his son, checks on his son's progress from time to time and corrects him when necessary. Mr. Fang also keeps an eye on his wife who is working at Taimian, especially when she was new to the job several years ago.

Not only senior workers like Mr. Fang, but also the newest workers have learned to self-discipline this way. Mrs. Qi is a new worker to the factory from Hebei Province and she has just been on the job for a month. As a rookie for bag production Mrs. Qi was assigned to do Taimian work. Mrs. Ma has taught her most of the Taimian procedures when Mrs. Qi's younger sister arrived in the factory a month later through Mrs. Qi's introduction. Though Mrs. Qi herself is still learning, she has begun teaching her younger sister how to do Taimian work given what she has already known. On one occasion, Mrs. Ma went out of the workshop to sort out bag materials in the yard and Mrs. Qi's younger sister took out her cell phone and texted her friend back and forth. Seeing this, Mrs. Qi took her sister's cell phone away from her and said: "No playing with cell phone during work! I brought you here to work not to play! Now behave yourself."

It is precisely through the efforts of these worker household masters and the self-policing function of these worker families that self-discipline is achieved in the factory as a whole.

Wage

In general, the wages in the factory are as follows. The wage for Taimian workers is from 1200 RMB (rookie) to over 2000 RMB; the wage for sewing machine workers is from 1800 RMB to 3000 RMB. For those engaged in only lower sewing machine work, the wage is between 1800 RMB to 1900 RMB; and for those who can do more than lower sewing machine, the wage is between 2000 RMB to 3000 RMB; and for those who can operate all sorts of machines, the wage is about 3000 RMB.

According to Mrs. Ma, wages are determined only in terms of work type and skill, rather than workers' age, origin, or relationship with the boss family. Moreover, a wage is only valid after Mrs. Ma examines the skill of the worker after the worker get into the factory rather than in advance. There are always workers who boast about their skill and experience, but Mrs. Ma would know how much a worker is worth of based on her own experience and skill. Wage will be raised for those who learn fast and enhance skill quickly, and it is also dependent on the market. In a few cases workers are paid for non-work if it is due to material delivery delay by some suppliers.

Interestingly, Mrs. Ma, Mr. Ma and workers offer different accounts about wage distribution method. For Mrs. Ma:

"Wages are distributed to workers themselves in cash on the first day of each month, though with one month wage withheld until the end of the year. For example, if a worker starts working on March, 1st, he will get his first payment on May, 1st for the month of March. On the payment day, workers come to the office to get their payment. It is usually on a "first come, first serve" basis. The wages are not kept as a secret, and everyone knows everyone else's wage. It wouldn't cause any problem at all; because the workers know whose skills are better therefore deserve more. "

Mr. Ma explains that two systems of wage distribution co-exist:

“One is the monthly payment to ‘adults’ with a month’s wage withheld till the end of the year; the other is the allowance system for ‘young workers’ who can get some money as allowance when they need it and let us keep the rest of their wages until the end of the year. The basic logic is that ‘adults’ know how to deal with their own money while the ‘young workers’ might squander it and leave little for their family. However, if a ‘young worker’ insists on getting a monthly payment, or he is with his parents in the factory, he would get his monthly wage. The payment system is built on a mutual agreement rather than literal forces.

Based on my observations and interviews with the workers, workers’ behavior and understanding discredit at least part of the owners’ claims. For example, most adults also take allowances rather than their full wage on the payment day. Workers usually go to Mrs. Ma’s bedroom in the morning on the payment day, asking for 100-200 RMB as allowance for that month. Mrs. Ma would open a notebook to a page with the worker’s name on it and write down the date and allowance amount. When I asked workers why they didn’t take their full monthly wage, a typical response is:

“Well, getting all the wage means that I’ll have to open a bank account here and deposit money every month. Then before I go back home around spring festival, I have to wait in long lines to get all my money out of the bank. That is just too much trouble whereas taking allowances is easy and safe. Mr. Ma and Mrs. Ma would give me all my money back at the end of the year, and sometimes they take the money directly to my family which is great. You know, there are many thieves out there, especially around spring festival, so Mr. Ma and Mrs. Ma is actually doing me a favor.”

Moreover, wages are not so transparent among the workers. In most cases, one knows only his/her own wage or their family members’ wages if they have family members in the factory.

Loyalty Structure

Based on the authority structure and the familial factory practices, a corresponding structure of loyalty emerges (see Chart 2). There is deep and long term loyalty from worker families in the factory towards the owners while at the same time inside each worker family unit, family members pay absolute loyalty to the household master.

Whether the worker is a relative, fellow villager or outsider of the owners, their loyalty to the Ma’s is real and deep. For instance, Mrs. Ma’s younger brother has been following Mrs. Ma since her migrant worker days in Guangdong Province. He spent several years in Guangdong with his sister and acquired comprehensive knowledge of bag making. When the Ma couple decided to open their own little factory in Baigou, the younger brother didn’t hesitate a second but chose to help his sister. This meant that he would lose the already high wage and work-master status in Guangdong to work as an ordinary worker in a small Baigou household factory whose fate was

unknown at the time. Not only he came to Baigou, his wife who was working in the same factory in Guangdong and who was also a skilled worker with high wage supported her husband's decision and followed him to Baigou. Since then, they both worked for Mr. Ma's household factory until their son was born and the wife became a full-time mother. "After so many years I am still working here and I am happy", Mrs. Ma's younger brother said: "I never regretted my choice to quit my job in Guangdong and come to Baigou. Mrs. Ma is my sister, my most important family member. I'll do whatever I can to support her. Now we have picked up our old father from our hometown to live with us here, and I also have my 7-month old son around me while I'm working, isn't that the best thing I can expect? And this is all thanks to my sister and my brother-in-law who run the household factory!"

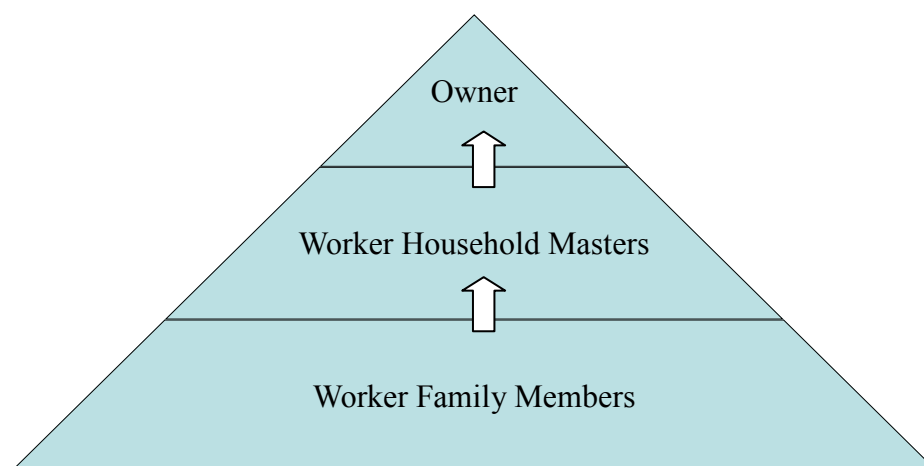
For another instance, Mr. Fang is a fellow villager of Mr. Ma and his whole family---his wife and their 19 years old son---is now working in the factory. Mr. Fang's home back in Sichuan Province is very close to Mr. Ma's home and Mr. Fang was introduced by a relative to work in Mr. Ma's factory in Baigou as a sewing worker 6 years ago. Mr. Fang came to the factory alone first, and after a year, he took his wife to work here too. When Mrs. Fang arrived, she knew nothing about bag making so she started out as a packaging worker. Gradually, she was taught by Mrs. Ma and other senior workers to do Taimian work and after some time she became an experienced Taimian worker whose wage was raised rapidly. "I really appreciate Mr. Ma and Mrs. Ma for taking us as their workers and treating us so nicely" Mrs. Fang told me: "That's why I felt so guilty when my husband decided that we should leave Mr. Ma's factory 4 years ago because we had a family emergency and my husband wanted to try his luck in some other business to make quick money. Unfortunately our attempt to make quick money failed and we came back to Mr. Ma and asked him if he was willing to reaccept us as his workers. He was not angry at us for leaving his factory at all. Instead, he gave both of us a raise and welcomed our son to work in the same factory too. Like me, my son knew nothing about bag making at first. But now, he has learned to be a sewing worker and makes 2000 RMB a month. The Ma couple is our family's savior, and we will try out best to work for them. "

Besides the relatives and fellow villagers, even the outsiders are very loyal to owners. There is a pair of teen sisters who are sewing machines workers from Dingxing County, Hebei Province. They both have worked in the factory for over two years and intend to continue working here because they like the Ma couple and the familial atmosphere of the household factory. "Do you have plans for your future?" I asked them. The older sister smiled: "For now I am happy to work here. If I make enough money one day I might open my own bag factory. Or I might just marry a handsome guy and becomes a housewife." The younger sister replied: "I haven't thought so much yet but I will follow my older sister and support her all the time!"

As can be seen from the examples above, all worker families displayed great loyalty to the owner family and in each small family, family members showed absolute loyalty to the household master, be it the decision to leave Guangdong for Baigou, to leave or come back to Mr. Ma's factory, or to plan for the future. Such a structure reinforces paternalistic domination through governance through the family

and secures long-term loyalty from its subjects (see chart 4).

Chart 4: Loyalty structure in Mr. Ma's factory



Re production of Labor

In addition to the familial arrangement of organization of work, reproduction of labor also plays an important role in reinforcing paternalism in Mr. Ma's household factory. Citing others, Burawoy described the features of reproduction of labor in the 19th century Lancashire as follows:

“Although factory owners rarely controlled more than a minority of operative housing, they exercised their influence by constructing a communal leisure life around the factory through the erection of swimming baths, day schools, Sunday schools, canteens, gymnasia, libraries and above all, churches. There were local sports events, trips to the countryside and workers' dinners at the master's residence. There were public ceremonies and holidays to mark marriage, birth and death in the master's family as well as to celebrate his political victories. In this way employees came to identify with the fortunes and interests of their employer. What industrial conflict there was, particularly strikes, had a ritual, pacific quality.” (Burawoy, 1985: 97)

Of course Mr. Ma's factory isn't able to afford such infrastructure as swimming baths or gymnasia, it does arrange much of the reproduction of labor to create better labor relations given its scale. In the factory, workers' accommodation and food are all covered by the owner family. Mr. Ma and Mrs. Ma provide the workers with not only everything for bedding such as pillows, sheets, quilts but also other daily commodities. Altogether there are eight worker bedrooms, some are private or shared by family members and others are shared by no more than three workers. Food is prepared by a Sichuan cook who usually cooks two big dishes for a meal, sometimes with soups. During meal time, workers go to the kitchen-canteen downstairs----a small room with a table in the median but no chairs. At the same time, the Mr. Ma's family members have their meals on the dining table in the “office-living room-dining

room” compound, with exactly the same dishes or soups as the workers. There is always at least some meat for lunch if not for dinner. Mr. Ma and Mrs. Ma have realized the different eating habits between Northern and Southern workers so they tell the cook to offer both rice for Southern Chinese and steamed buns for Northern Chinese every day. Sometimes the cook will also prepare snacks for workers after they get off work at 10:00 pm, and workers are free to cook anything they like either in the kitchen or in their own bedrooms.

Not only factory owners work, eat and live with the workers they also enjoy activities as a family. One worker said:

“On rest days we always watch TV together with Mr. Ma’s families in their living room, and we talk and laugh happily all the time. Some workers also play Majiang (a popular Chinese card game) with Mr. Ma’s family members. I don’t play Majiang but it is fun to watch. I love this place, and I am bringing my younger sister here next month too.”

However, medical expenses are considered workers’ own responsibilities. None of the workers have any sort of insurance, and when they get injured or sick, owners will grant the worker’s leave for medical care but not cover the costs. For workers it is understandable because injuries are usually caused by personal neglect during work and sickness is one’s own health problem. This is especially the case when the most dangerous work has been done by the owners themselves or their family members, and when Mrs. Ma has so many scars on her hand caused by machines but she never complains or goes to a doctor. How could workers complain?

Moreover, although most workers seem to identify with the fortunes of the owners, there are certain privileges associated with workers’ closeness to the owners’ family. Such privileges include the use of owners’ personal properties, the roundtrip train ticket between hometown and the factory, etc. and most importantly the “reproduction rights”. For instance, Mr. Hu is the metal accessory attaching worker, and he is not related to the owners by blood though he came from the same village as Mr. Ma. He began working in the factory in 2003 when he was only 16 years old, and his wage was raised yearly from 300 RMB in 2003 to 400 RMB in 2004, 500 RMB in 2005, 600 RMB in 2006, 800 RMB in 2007, then 1200 RMB in 2008, 1500 RMB in 2010 and 2000 RMB in 2011. Over the years, he has made significant contributions to the factory and both the owner family and he himself consider him an integral part of the family. He is one of the few (other senior workers like Mr. Hu) workers in the factory who could freely use Mr. Ma’s washing machines, Mrs. Ma’s computers, and Mr. Zhu’s tri-cycles, and so forth, and he revealed that Mr. Ma and Mrs. Ma would directly buy his roundtrip train tickets⁷ between his hometown and factory every year.

⁷ For other workers, coverage of workers’ roundtrip train tickets between their hometowns and the factory is conditional. First, new workers don’t seem to know the existence of such a ticket reimbursement policy. Second, the workers who can claim a reimbursement have to buy the ticket to the factory first and that ticket will only be reimbursed at the end of the working year; similarly, the workers have to buy the ticket to their hometowns before the spring festival, and that ticket will only be reimbursed if they return to the factory the next year.

Now Mrs. Ma's younger brother and his wife is raising their 7-month-old son in the factory. The wife has stopped working in the factory but the costs of living of her and the baby are also covered by the factory. Mr. Hu jokes that one day he marries a girl, he might do the same as Mrs. Ma's younger brother, that is, to raise his children in the factory too. In contrast, few other young workers have thought of this as a right.

Summary

In this chapter I have explored the factory regime of Mr. Ma's median household factory. There is stable capital investment and stable access to market and political relations. Workers are mostly Mr. Ma's family members and fellow villagers who are introduced to the factory by senior workers, which often results in the employment of more than one member of the worker family. A particular paternalistic factory regime emerges given the absorption of worker families that depend on a specific employer--- Mr. Ma. Under paternalistic factory regime, power is centralized but control is done through the family rather than by the family, with workers rendering long term and deep loyalty to the factory owner. Mr. Ma shares his properties and provides good welfare provisions for the workers so workers come to identify with Mr. Ma's interest and fortune, though reproduction right is still limited to Mr. Ma's family members.

Chapter Five

Mr. Li's Patrimonial Household Factory

“Brother, we have been making these complicated bags for a while now. Can you get us something easier next time?” A bunch of young girls blink to a young man on the Taimian. “Let me try”, the young man goes to a middle aged woman and asks: “Big sister, we are almost done with the current complicated bag style, can you give us some simple styles this time?” The middle aged woman opens her notebook and smiles: “sorry you still have to do one more complicated style for now but I promise I will give you something easier next time, Ok?” “All right”, the young man makes a face and leaves happily to tell his younger “sisters”. ---The girls are the young female workers; the brother is the group leader; and the big sister is the shop floor manager

This is a typical scene at Mr. Li's big household factory in the center of the Baigou industrial park. Mr. Li and his family came from Xiong County (a county next to Baigou). Mr. Li started as a bag merchant who bought and sold bags in Baigou about 20 years ago. A year later he went to Guangzhou and opened a bag factory there. After another year, he brought all the 30 workers from Guangzhou back to Baigou, bought a small three level house in Baigou and made bags there for several years. His business got stronger day by day and in 2006, Mr. Li moved the factory into the current place in the industrial park.

In this chapter, I will explore the factory regime of Mr. Li's big household factory. The growing capital accumulation and the expanding access to market and political relations shapes Mr. Li's household factory that can be best characterized as a patrimonial factory regime. The workers are mostly young female workers recruited from rural families through a job agent based on an “elite pact” (Adams, 2004: 8). Mr. Li engages primarily with market/political relation building and maintaining while the power to regulate factory practices is decentralized to his family members. Moreover, in the specific production domain, power is further decentralized to outside managers and group leaders, giving rise to a layered loyalty structure. Such a layered structure is also mirrored in the reproduction of labor where there is a privilege system based on people's statuses in the household, with the right to children rearing restricted to family members, senior workers and skilled workers.

Market/Political Relations

Mr. Li and his family came from Xiong County (a county next to Baigou). Mr. Li started as a bag merchant who bought and sold bags in Baigou about 20 years ago. A year later he went to Guangzhou and opened a bag factory there. After another year, he brought all the 30 workers from Guangzhou back to Baigou, bought a small three level house in Baigou and made bags there for several years. His business got stronger day by day and in 2006, Mr. Li moved the factory into the industrial park.

Now Mr. Li's big household factory resides in the center of the Baigou industrial

park. It is built as a traditional Northern Chinese rural household with a central yard. The major building of the factory is a three-level building on the north side of the yard. The first floor includes on the west part the factory offices and on the east part the metal accessory department, the designing department and the cutting department; the second floor of the building is the main workshop; and the third floor is the dorm area.

Mr. Li's factory is one of the biggest factories in Baigou today, employing about 100 workers (mostly young female workers), owning two independent bag brands, and operating two bag sale booths in the Baigou bag exhibition hall. Mr. Li's factory is not only formally registered as LZ (named after Mr. Li's son LZ) factory, but also is honored as a "star enterprise" in Baigou. The factory has a complete set of departments: designing department in charge of designing and producing sample bags; metal accessory department in charge of storing, sorting and distributing metal accessories; cutting department in charge of cutting raw bag materials; office in charge of attracting and dealing with clients; accounting; bookkeeping; etc. and the main workshop in charge of bag production. Mr. Li's factory produces both foreign and domestic women's bags with a production capacity between 700-800 bags per day.

The main channel of domestic bag orders is through sales instigated in their two independent sales booths in the Baigou bag exhibition hall. Mr. Li is also exploring domestic market by establishing sales booths in other major cities in China. In addition, he is experimenting online business with websites like Alibaba (similar to Amazon in the US). There are four main channels for foreign orders: 1) Mr. Li's personal friends; 2) sales booth in Beijing through market agent; 3) some big Chinese foreign trading clients (many from Zhejiang province) and 4) government recommended clients. Most foreign sales are realized through the first channel in which the owner's personal friends are middlemen who usually live in other countries. Mr. Li has known these middlemen for many years and has maintained their personal relations through constant gift sending.

As one of the biggest factories in Baigou, LZ factory is in competition with similar sized factories for the big Chinese foreign trading clients, government resources and sales at the bag exhibition hall. When their orders exceed their production capacity, they will outsource some of their orders to median sized and small factories around Baigou region.

Political relation is crucial for the survival and development of LZ factory. Like the median sized factory, economic bribes play a central role in maintaining personalized political relations between the owners and the officials. The way to do it, is to mobilize or reconstruct individualized familial relationships or friendships with the officials through some sort of economic bribes including sending them free bags as gifts; inviting them to banquets and luxury entertainment; losing money to them intentionally on the card games, and so forth. What is different is that LZ's network extends beyond certain local government cadres to include local police officials, doctors as well as government officials from Baoding city. In addition to lowering the tax and fees and securing the pass of safety inspections from different levels of

governments, the local government provides LZ factory with market opportunities as well. Sometimes, foreign trading groups will come to Baigou due to its fame in the bag industry. However, many of those groups are not familiar with the Baigou production system and will therefore visit the local government first and ask for their recommendation. It is natural that LZ will be introduced to the foreign trading groups and get potential bag orders because of their “official friends”.

Organization of Work

In the large household factory, given the multiplication of its market and political relationships thereby complication of the production system, the household factory owner Mr. Li adopts the control strategy which is in principle a form of patrimonialism.

Patriarchy and patrimonialism are closely inter-related concepts. Patriarchy refers to the supremacy of male heads of households and the dependency of wives and children as well as reckoning of descent in the male line. “Patriarchy is the historical seed of patrimonialism, which Weber believes is a genetic extension of the patterns of governance in a ruler’s or chief’s family household” (Adams 2004: 3). In other words, patrimonialism is “domestic authority decentralized through assignment of land and sometimes of equipment to sons of the house or other dependents” (Weber, 1978: 1011). In *The Familial State*, Julia Adams shows how a particular patrimonialism---“an institutional nexus fusing a set of elite patriarchal families with a merchant capitalist class and a locally grounded patrimonial state---was a key factor in the spectacular ascent of the Dutch” (Adams 2004, 4). The authority relationship in Mr. Li’s factory well exemplifies this logic of patrimonial domination, though the locus is not the state but the household production.

Authority Structure

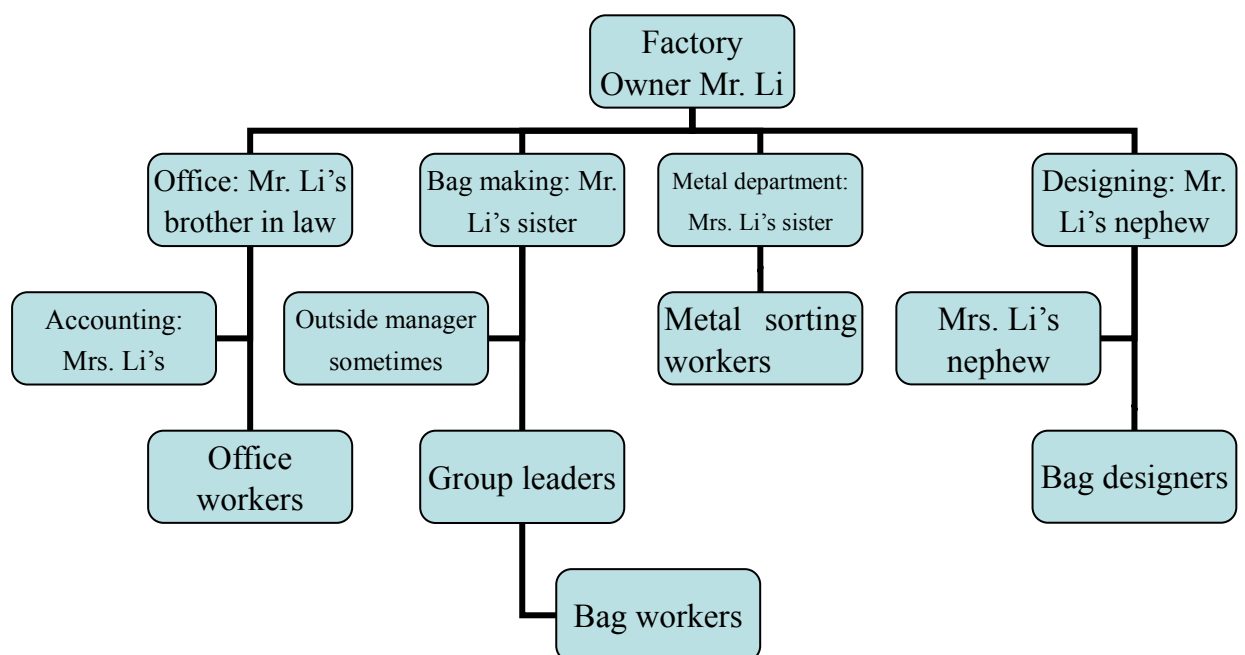
In general, there are three different sets of people who work in the factory. The first set of people is Mr. Li’s relatives; the second set of people is skillful workers like bag designers and office clerks; and the third set of people is the ordinary bag workers. The household master Mr. Li is at the top of the authority structure though Mr. Li and his wife do not stay in the factory most of time because they are busy establishing public relations for the factory in/outside of Baigou. There is also a division of labor between Mr. Li and Mrs. Li. While Mr. Li is mostly engaged in establishing and maintaining all sorts of market/political relationship with people around China, Mrs. Li spends much of her time managing the delicate sales booth in the Baigou bag exhibition hall.

The factory itself is managed and operated through extended kinship networks. The relatives are in charge of management, important departments, purchasing, and so forth. For example, Mr. Li’s younger sister Xi Li is the general manager of the workshop; Xi Li’s husband is the bag material purchaser who is also in charge of the office work; Mrs. Li’s older sister is the chief of metal accessory department, and her son is the accountant in the office while her daughter-in-law is the sales manager in

the bag exhibition hall; Mr. Li's nephew is the head of domestic bag design department whereas Mrs. Li's nephew is the head of foreign bag design department, etc.

Inside the workshop, the authority is also decentralized. Mr. Li's younger sister Xi Li is the general manager, though sometimes the factory would also hire a shop floor manager from outside. The reason for the existence of an outside manager is not only because there are many workers and machines (the majority of the outside managers are specialized in machine fixing and tuning which is a necessity for bag production) to look after, but also because according to the management "we sometimes have such a close relationship with the workers that it's better to have an outsider who could act like a family teacher. You know, like some parents are teachers themselves, but their kids would behave better in front of a teacher who is not at the same time their parent." Below the workshop managers are group leaders who are mostly senior male workers, and below the group leaders are the mostly young, female bag workers. Chart 5 offers an illustration of the authority structure in the factory.

Chart 5: Authority structure in Mr. Li's factory



From chart 1 we can see that there is a mode of patrimonial domination based on the decentralization of domestic authority in the factory. Mr. Li is the household master, but he is not controlling every aspect of his enterprise. The operation of the factory is handed over to his relatives who could be seen as his "dependents" in Weberian sense. Each dependent is in charge of a specific area/department and has power over his/her subjects. In addition, as Julia Adams shows, the dependents are not always limited to kinship networks but could extend to include other elites/class. In the general authority structure, the outside manager could be seen as such elite; and in

the specific authority structure in the workshop, the group leaders could be seen as such elites too. These elites' interests converge with those of the rulers and master, and they work together to maximize their benefits.

Furthermore, on a closer examination, the authority structure in the factory is totally consistent with the principle of patrilineage "which encoded, in the repeated father/son relationship, heredity, masculinity, and the transcendent promise of immortality" (Adams, 2004: 7). In each of the domains highlighted, there are both relatives of the male owner and the female owner. In the office domain, there is Mr. Li's brother-in-law and Mrs. Li's nephew; in the bag production domain, there is Mr. Li's sister and Mrs. Li's sister; and in the designing domain there is Mr. Li's nephew and Mrs. Li's nephew. Although each of the relatives can be seen to be in charge of their own specific area, the overall pattern manifests a higher authority status of the relatives of the male owner over the relatives of the female owner. For instance, Mrs. Li's nephew is an accountant in the office who has authority over other accountants, but Mr. Li's brother-in-law who is the bag material purchaser seems to have power over the whole office domain; Mrs. Li's sister is the manager of the metal accessory department, but Mr. Li's sister who is the general manager of the workshop seems to have more power over the whole bag production domain; and Mrs. Li's nephew is the head of the foreign bag design department, but Mr. Li's nephew who is the head of the domestic bag design (domestic bag design is considered more complicated and skillful compared to foreign bag design) seems to have more power over the whole designing domain. So is the division of labor and power dynamics between Mr. Li and Mrs. Li themselves.

In addition, the authority structure in the workshop also well echoes the dynamics between generations and gender. The shop floor managers are much older than the workers, and the group leaders are mostly males who are a few years older than the ordinary young female bag workers.

Overall, the arrangement of the authority structure in the factory is a form of patrimonial domination which coincides perfectly with the traditional values and understandings of household power system. It is based on the patrimonialism that the factory organizes its work and life.

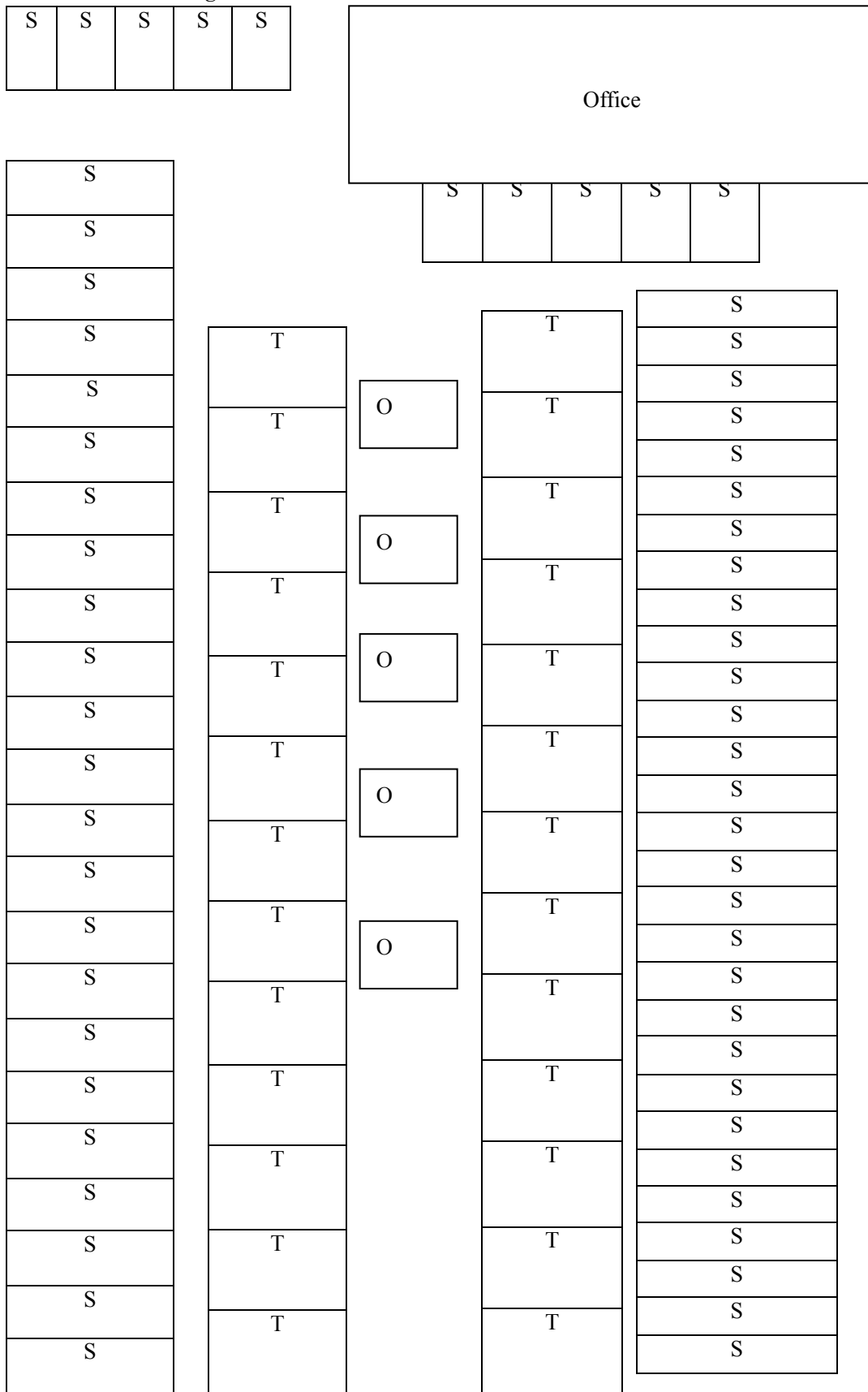
Discourse and Practice

Space and Time

Mr. Li's factory is also built as a traditional Northern Chinese rural household although it is located at the center of the industrial park. The major building of the factory is a three-level building on the north side of the yard. The first floor includes on the west part the factory offices with a built-in bag sample room and on the east part the metal accessory department, the designing department and the cutting department; The second floor of the building is the main workshop (see picture 4) where workers work on 36 Taimians and 55 sewing machines under the supervision of shop floor manager; The third floor is the dorm level where workers live together with some office workers and relatives of the owners including the shop floor manager.

Picture 4: Structure of the workshop

T=Taimian S=Sewing Machines O=other machines



Gate

Normally work day starts at 7:30 am (in the winter it's 8:00 am). The schedule is: 7:30 am—noon; 2:00 pm-6:00 pm and 7:00 pm-10:00pm or 8:00 am-noon; 1:30 pm-6:00 pm and 7:00 pm to 10:00 pm in the winter. It requires extra hours after 10:00 pm if the work is busy, and the manager is always there until workers leave. There are no weekends or holidays except the spring festival, and under normal circumstances worker can take two days off a month and the dates are decided by the management.

Discourses

Under patrimonial domination, though the master has great power over his subjects, Weber also recognizes that “the master too ‘owes’ something to the subject, not legally but according to custom and in his own self-interest: first of all external protection and help in case of need, then ‘humane’ treatment and particularly a ‘customary’ limitation of economic exploitation” (Weber, 1978: 1010). The discourses and practices in the factory reflect this special relationship and attempt to reconstruct the labor relations as familial relationships. Though designing and cutting are integral parts of bag production, and office work is important for the functioning of the whole factory, here I am mainly concerned with the domain of bag production.

Regardless of people's actual positions and statuses in the factory, managers are not called managers but sisters and brothers based on their relationships to the owners. The shop floor manager Xi Li (Mr. Li's younger sister) whose daughter is older than many of the workers is called “Dajie” (big sister); and the manager of the metal accessory department (Mrs. Li's second sister) who is older than the shop floor manager is called “Erjie” (second sister). Nonetheless, the real dynamics between them and the workers are more parallel to parents and children relationship given their generational difference. When the big sister as well as other managers speak of the workers, they are accustomed to start with “these kids...”; Group leaders are called and also considered brothers/sisters by workers and workers also bring their own familial titles and nick names into the factory. Such familial nicknaming, as C.K. Lee notes, has the effect of humanizing the hierarchical authority so that “the brunt of blame about failures of work performance was made easier for management to deliver and for workers to accept” (Lee, 1995: 388). Not only does the management reconstruct labor relations as familiar relations by changing titles or names, it also organizes its production and life that way.

Group Work Dynamics

The workers are divided into 5 production groups and one packaging group, each with a group leader (only one of the group leaders is female) who is senior (having worked in the factory for 3-7 years) and considered to have better organizational skills. Usually a production group has 12-15 workers who will work on 8 Taimians and 5 sewing machines. Among them, 5 workers are sewing machine workers and the others are Taimian workers. Each group occupies a concentrated area of the workshop, which constitutes a group leader's “territory”, and the group leaders are responsible for teaching, overseeing and helping their fellow brother and sister workers, especially the new ones. The workers feel grateful to their group leaders for

training them and taking care of them.

One day I was sitting beside a female sewing machine worker who shares her experience with her group leader as follows: “When I first came to the factory, I knew nothing about bag making. I was assigned to Ge’s (brother) group and he was really nice to us. At first, he taught us the procedures of Taimian work, and whenever we had any questions, he would answer patiently. After a while I told him that I would like to learn sewing machine work. He was very supportive and he told the big sister who was also very supportive. Then he taught me how to do sewing machine and now I am sewing machine worker. Ge (brother) is not only a master of all bag procedures, he is also a magician, you know, he has everything we ask for. Let me show you,” the girl laughed and turned to her group leader: “Hey, brother, my needle is broken.” The group leader came to her, took out his wallet from his pocket and got a row of needles out from his wallet. He picked up one needle and handed it over to the worker. “You bring needles on you all the time?” I was quite surprised. “Yes, but the workers only ask for one every few days. Still I put the needles on me for convenience.” He seemed to be proud of his ability to attend quickly to his workers’ needs. In general, all the group leaders are popular figures among their groups who are well adorned and respected by their fellow workers.

In contrast, the dynamics between groups is somewhat different. Instead of an atmosphere of cooperation within groups, a sense of competition among groups is evoked by the management. “Kids will do better if they are in competition with each other.” The big sister explained. Each morning, the big sister will call the group leaders into her small workshop office and distribute group-specific production tasks to them. She has a notebook where she writes down her plan, underlines the things to pay attention to for certain bag styles, and then announces them to the group leaders before work starts. The group leaders thereafter arrange the group work most efficiently based on their experience. On average each group need to produce 7-8 different styles of bags at the same time and finish over a hundred bags each single day. The big sister will also write down the group tasks on a big white board near the workshop entrance to inform the workers about how many and what kind of bags each group (indicated by the group leader’s name) must finish during that day. Such an act often arouses a sense of competition among groups, speeding up the production process. The big sister will walk around the workshop to oversee workers’ work and supervise them when necessary, and group leaders keep a close eye on their group members while facilitating group work by doing certain bag procedures from time to time. Then during every morning’s gathering ritual at the central yard, after workers’ names are called one by one like morning exercise, the big sister will announce each group’s performance of the recent task and praise the group and workers that have done it well. Sometimes she will also embarrass the group that has fallen behind the pace. Whichever the case, the workers take it seriously and try their best to achieve or maintain their group pride.

Regulation and Fines

Although there are detailed formal regulations such as factory regulation,

rewards regulation, punishment regulation and dorm regulation etc. written down and hung on the walls of the workshop and the dorms, the management revealed that these regulation boards were brought in from the last factory they rented and these regulations were copied from a Guangdong factory by a former manager who has worked in Guangdong before. Beside the regulation boards are boards with provisions of the Chinese labor law which are also largely ignored by both the management and the workers. Indeed, most regulations in the factory are done informally and personally, however, there are aspects that look more formal than the small and median sized factories.

For example, before entering the workshop, workers need to swipe their electronic work card---according to the management this is used not to check attendance but to prevent workers from being late; during work hours workers should put down their cell phones in a big box---“otherwise the kids would play with their cell phone all day long”; when workers need leaves due to sickness or family issues, they have to ask for manager’s permission and sign a leave note---so that “the factory can know where the kid is and whether he/she is safe”. Other than that, workers enjoy a lot of freedoms on the shop floor such as drinking water during work, going to restrooms without permission, playing their favorite music, or chatting occasionally. In the winter, some workers make themselves warm chair cushions from extra bag material (which is forbidden according to the regulation) and the big sister just smiles and says: “oh, look how smart you are!”

There are mainly two types of fines: job neglect and discipline (for being late, fighting etc.). For job neglect, whether to fine or not and the amount is determined by the management and is not always fixed. For example, there was one time a group leader told the manager that his group mistakenly added two more beads to each bag made which would result in over 30 RMB losses. The manager considered the group’s usual good performance and small amount of loss and decided not to fine the group at all. However, if the loss is great, fines are extracted from the workers to compensate for the loss. For discipline fines due to violations like fights, fines are used to enhance the welfare of all workers including buying candies for them or adding meat to their meals so that the “bad kids” would learn their lesson and the “good kids” get rewarded---a classic familial way of handling kids’ conflicts.

Conflict Solving

Conflict between management and workers is rare, and when there is some tension, it is resolved in familial ways too. For instance, there was an occasion when “yellow hair” (the nick name of a young male metal accessory attaching worker) got into trouble with the second sister who is in charge of the metal accessory department.

One day yellow hair went to the metal accessory department and asked the second sister to give him the 40 golden metal rings she owed him from the day before. According to yellow hair, he was supposed to get 160 golden metal rings from the second sister the day before, but she only gave him 120 and asked him to come back for the other 40 pieces the next day. The second sister checked her file folder and concluded that yellow hair had already taken all the 160 golden metal rings the day

before. Yellow hair became anxious: "I only took 120 away yesterday. You were busy that time but I had made it clear with you before I left." "Who did you make it clear with? I don't remember. Anyway you have taken all the 160 golden metal rings away as shown on the file and you are responsible for the loss of the 40 rings if you can't find them yourself." The second sister insisted. After failed attempts to persuade the second sister, yellow hair quickly turned to the big sister in the workshop and explained the situation to her: "...big sister, I really counted it carefully yesterday, and I did make it clear with the second sister then, please help me out here." The big sister laughed and said: "Why didn't you write down a note and ask the second sister to sign since you know her temper? Otherwise you shouldn't have taken any of the golden metal rings until there were 160." Yellow hair became very worried then: "there were really only 120 rings! But what could I do now if the second sister just didn't admit it? Big sister, please help me this time. You know I wasn't lying". "All right. I will try to talk to her later" the big sister told yellow hair. "Thank you so much!" yellow hair was suddenly relieved and almost hugged the big sister as if he knew the problem would be solved. After yellow hair was gone, the big sister told me that yellow hair was a very cute boy: "He likes talking and laughing and he seems to be always worry-free. It was fun to see him get so worried" the big sister laughed.

This incident is interesting because when there is tension between a worker and a manager, it is reduced to a matter of temper, that one is supposed to know his second sister's temper well to avoid trouble; while trouble already happens, the worker seeks protection from his big sister to whom he is more closely related and who seems to have more power over the second sister.

Firing

Given so little conflict between workers and management, a case of firing is quite exceptional. Indeed, in the history of the factory, there was only one worker who got fired, but even the ultimate act of firing in the factory took on a familial face.

Ting Liu was the only worker who got fired so far. She was a young female worker in her twenties and was deemed a very "naughty" girl by the big sister: "She is the only child in her family so she is too spoiled. She doesn't respect us and she doesn't get along with the other workers. She usually escapes work without permission. Whatever you tell her to do she refuses to do it if she doesn't feel like doing it. So I fired her." However, after getting fired, Ting Liu continued to live and eat for free in the factory because her husband was still working in the workshop. Ting Liu's own comment about her getting fired actually echoed that of the big sister: "The big sister scolded me in front of many workers for doing too little work. You know, I am the only child in my family and even my parents didn't scold me like that. When my parents blamed me for something, I would sometimes fight back too, not to mention the big sister who made me lose face before so many others...in contrast, Mr. Li is a really nice person though they are brothers and sisters. After I got fired, he comforted me, gave me the full salary and asked me to stay in the factory for free as long as I want."

Both Ting Liu and the big sister considered the source of firing as an unhappy

“parent-kid” relationship. Nevertheless, Mr. Li’s intervention was an image of “one parent punishes the kid the other parent comforts the kid afterwards”. Instead of being kicked out of the factory which usually happens after a case of firing, the fired worker is welcomed to stay in the household for free.

Wage

The wage system in the factory is an hourly rate system. Workers are paid according to the hours they have worked though extra hours are not calculated. Normally work day starts at 7:30 am (in the winter it’s 8:00 am). The schedule is: 7:30 am—noon; 2:00 pm-6:00 pm and 7:00 pm-10:00pm or 8:00 am-noon; 1:30 pm-6:00 pm and 7:00 pm to 10:00 pm in the winter. Sometimes there are extra work hours after 10:00 pm if the work is busy. There are no weekends or holidays except the spring festival, and under normal circumstances worker can take two days off a month and the dates are decided by the management. If work stoppage occurs due to delayed material delivery, workers are not paid for non-work. Bookkeeping of workers’ work hours, sick leaves, fines, etc. is done by the big sister and an office worker together.

In general, the sewing workers make 1500-2000 RMB/month, the Taimian workers make 1500-1800 RMB/month, and the packaging workers make 1300 RMB/month. Wage is given to the workers three times a year in May, September and January in cash though many workers’ salaries are sent by the owners directly to their parents at their rural home. Other times, the workers receive an allowance of 100 RMB every 10 days. According to the management, this is for the goods of the workers who are still kids and whose parents expect them to save more money for their family. The workers agree with the arrangement too. Their attitudes are “if we have a lot of money on us it might be stolen”, or “it helps us save money that we may otherwise squander”, and “for special occasions like birthday, we could always ask for more allowance if we want”.

And in case of family emergencies, workers could ask the owners to give them their current salary at any point of the year as long as their family emergency is verified as true. For some senior workers, they could even ask for their year salary in advance if they have serious family needs.

At the end of the year when the owners were giving workers their salaries, the workers were asked to enter the owner’s office one by one. In most cases, the owners would praise the worker for his/her good work performance and tell him/her that because of his/her good work, the owners decided to give him/her an extra 50 RMB for October and an extra 100 RMB for each month after November; moreover he/she would also get a subsidy of 20 RMB per day for the days off in November due to the material storage. “You must keep it as a secret though. Otherwise the other workers would get jealous,” The owners emphasized: “and when you come back next year, especially if you can bring us more workers, I will give you even more reward!”

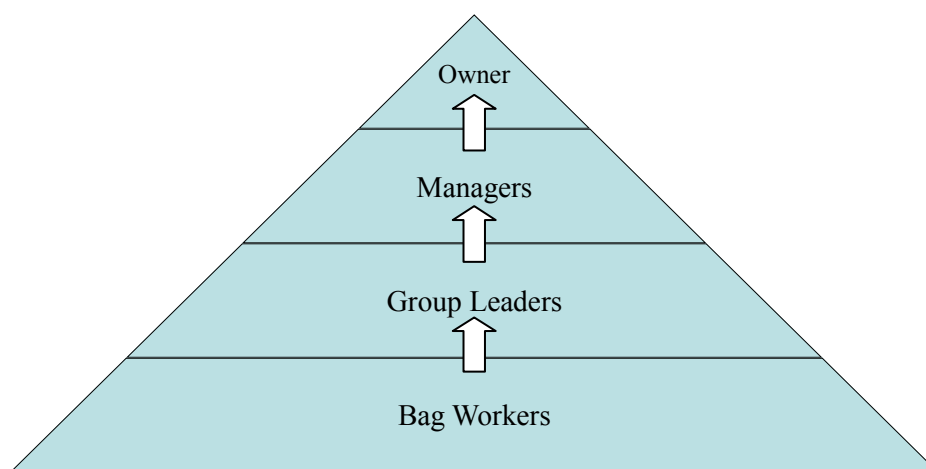
Though wage is based on hourly rate, the heart of it is still the allowance system which denotes a familial arrangement. The grant of emergency money shows a humanized aspect of the household factory. Moreover, personally praising each worker and adding more money to their’ final payment “as a secret” has the effect of

making the kids feel special love of the parents so that they may come back and work harder the next year.

Loyalty Structure

As Weber argues, the dependency relationship under patrimonial domination is based on loyalty. “However, such a relationship, even if it constitutes at first a purely one-sided domination, always evolves the subjects’ claim to reciprocity, and this claim ‘naturally’ acquires social recognition as custom” (Weber, 1978: 1010). Based on the authority structure and the familial factory practices, a corresponding layered structure of loyalty emerges (see Chart 6).

Chart 6: Loyalty structure in Mr. Li’s factory



The manager has absolute and personal loyalty to the factory owner not only because her authority is granted by the factory owner but also because she is directly related to the factory owner by blood. The big sister revealed that before she came to her older brother’s factory several years ago, she and her family was running a smaller household factory in the village. Their business was pretty good and their work life was relaxed. Then her older brother Mr. Li invited her family to work in his big household factory, emphasizing that it would be very important for his business. “If I was an outsider, I would definitely say no because being a manager in a big factory is much more tiring than running my own workshop. But what can I say? He is my brother and we are family. So we closed our own factory and came to work here. Now I wake up 6:00 am in the morning and work until 10:00 or 11:00 pm at night every day. I am so tired but I am trying my best to keep up with the work” the big sister smiled.

Though the big sister has no blood relationship with the group leaders, the group leaders have a long term and personal loyalty towards her too. One group leader recounted that he came to the factory 7 years ago when he was only 15 years old, and the big sister had taught him a lot of things. He became a group leader three years ago and had been working closely with the big sister along the way. “The big sister is a

very nice person and she treats us like a family. That's why I can't turn her down when she asks me to be the group leader. You know, being a group leader is not easy at all. You have to think all the time! You have to arrange every day's production, distribute detailed task to each person, and make sure they do it the right way. It is extremely tiring and hard work. But when I see the face of the big sister and the workers, I feel obligated and responsible, so again and again I am still a group leader." He shrugged his shoulder and pointed to the other group leaders: "most of them are persuaded to be group leaders by the big sister just like me".

The workers, as demonstrated earlier, have a close relationship with their group leaders. The loyalty of the workers to their group leaders is deep, personal, but short term. The feature of this short term loyalty of workers to their group leaders has less to do with the workers' self-willingness than the characteristic of the labor market which will be explored in the next section. Here I will focus on workers' loyalty during the work year. Inside the factory, the best indicator of workers' loyalty is their willingness to work. Working hours on the shop floor are very long and work is heavily repetitive, but seeing that their group leader brothers are working even harder and helping them around all the time when in principle the group leaders don't have to work (because their main task is to organize production rather than working as a bag worker), the workers usually have no complaint even when there is extra work or they are assigned by their group leaders to do glue pasting which involves unbearable smell and dangerous chemicals.

Such a loyalty structure ensures loyalty from the lower level to the upper level, from workers to their group leaders, from group leaders to shop floor manager, and from shop floor manager to the household master, reinforcing patrimonial domination. Nonetheless, loyalty itself doesn't forestall negotiations between the different levels, especially in the domain of household production. On the contrary, negotiations between workers and managers often exist in familial and joyful ways. A typical negotiation between workers and management is depicted at the beginning of the chapter. Such negotiations are examples of achieving reciprocity between the workers and the management. This resonates with Weber's claim that reciprocity between masters and subjects serves better to maintain patrimonial domination.

Reproduction of Labor

A similar pattern of authority/loyalty structure is mirrored in the sphere of the reproduction of labor where a privilege system is in place based on people's statuses in the household. It is also closely related to the characteristics of the labor recruitment to which I will turn first.

Recruitment of Labor

Baigou has no formal labor market therefore all workers are recruited informally through personal networks. In the case of Mr. Li's factory, the majority of the ordinary bag workers are recruited from rural families in Daming County, Handan, Hebei Province through a job agent. The whole recruitment process is an extension of patrimonial conditions which bears much resemblance to the features of a patrimonial

state in Weber's terms. I will first elaborate the labor recruitment process then analyze its functions and significance.

On the evening of the spring festival day, Mr. Li couple and Xi Li would drive to Daming County, Handan which is 4 hours away from Baigou. After they arrived, the first thing to do was to contact the job agent Lao Li (old Li). "Lao" means old in Chinese, and adding "Lao" before others' last names indicates a familiar relationship between the people. Though not related by blood, there is an old Chinese saying that people with the same last names are family members 500 years ago. Mr. Li and Lao Li have mobilized the Chinese saying well and have maintained a quasi-familial relationship for over 10 years after Lao Li was first introduced to Mr. Li through some acquaintances. From then on, Mr. Li kept sending gifts (including a car!) to Lao Li all the time.

Lao Li was a senior job agent in the Daming area, a "representative parent" as people called him. He lived in Huaerzhuang Village (about 10 miles from the county town) and everyone around Daming County knew him. He had established good and trustful personal relations with thousands of rural households in the area, and every spring festival he would take Mr. Li's family to visit potential workers' homes one by one and facilitate reaching agreement between Mr. Li and the workers' parents (rather than workers themselves who are mostly teenagers) on wages and work conditions. Within the same area, there were other job agents too, and many other factory owners wanted to look for Lao Li's help as well. However, Lao Li had the best relationship with Mr. Li and Mr. Li's factory became the main destination of his "working children". For every new worker Lao Li recruited for the factory, Mr. Li would give him 400-500 RMB as well as other gifts.

After contacting Lao Li upon the Li family's arrival in Handan, the next thing to do was to contact the workers. Though the villages in Daming County were generally considered poor because of little savings, their lives were not too bad since they produced agricultural products for themselves. Almost every family had a home phone. Xi Li would bring a full list of workers who had worked in the factory the past year and began calling them one by one. Lao Li would provide his own information too. Then they would make appointments with the workers to visit their families scattered in about 20 villages.

The Li family started visiting worker families from the second day of spring festival. And from that day on until Zhengyueshiba (the eighteenth day of the spring festival), their major task was to meet the worker's family and negotiate work conditions (especially salary) with them. Sometimes, there were 4-5 workers in the same village, but other times there might be only one worker in a village. Whichever the case, they had to pick up Lao Li first from his home otherwise they couldn't enter the villages smoothly. The worker families were usually very hospitable, cleaning up the house for their arrival and providing spring festival candies and snacks, and many would ask them to stay for lunch for dinner. For average workers, the Li family didn't bring gifts; but for those with higher skills, Mr. Li would prepare some presents. Bargaining (centered on salary) was always a part of the process. Sometimes, under the same roof, several factory owners from Baigou showed up at the same time

preying on the same worker. It was time for the factory owners to “fight with wisdom” (as Xi Li put it).

After an agreement was reached, the Li family would pick up the workers with a van on an appointed date, usually the eighteenth day of spring festival, and send them to Lao Li’s home where a big bus would take them together to the factory. Each year, 70% of the bag workers are new workers recruited this way, and the consensus is for the workers to work in the factory for a whole year therefore the workforce remains relatively stable. However, the recruitment doesn’t end during the spring festival. Throughout the year, the job agent will continue to introduce new workers to the factory. Lao Li’s role as “representative parent” in both the community and the factory keeps strengthening the social relations and ensures consent from all sides.

Though not as political as the “patrimonial state” when Weber applies the household based patrimonialism to a form of pure political governance, many aspects of this labor recruitment are similar to the features of such an extended form of patrimonial power---the patrimonial state. “We shall speak of a *patrimonial state* when the prince organizes his political power over extrapatrimonial areas and political subjects – which is not discretionary and not enforced by physical coercion – just like the exercise of his patriarchal power” (Weber, 1978: 1013). The Daming County, Handan from where labor is drawn could be seen as the extrapatrimonial area beyond Mr. Li’s domain of patrimonial power in his own household factory. To exert influence over extrapatrimonial areas and to bring subjects from extrapatrimonial areas to his own household patrimonial system, Mr. Li turned to an “elite”---the job agent Lao Li---in the extrapatrimonial areas and made a long-term “elite pact” with him to achieve his goal.

Modifying Weber, Julia Adams has offered a wonderful analysis of the “elite pacts” which undergirded the familial state of early Dutch as well as other European countries. For Adams, elite pacts have “projected an entire group’s patriarchal property in power into the future, simultaneously broadening and deepening that group as a collective principal capable of political action (Adams, 2004: 12). Moreover, elite pacts usually “included innovative procedures by which other, genuinely unforeseen contingencies could be met ... whereby men tried to contain future shocks, the paradox of the unexpected that could always be expected to erupt into the life of the patriarchal patrimonial system (Adams, 2004: 13). In a similar fashion, the elite pact between Mr. Li and Lao Li integrates their mutual interests and ensures their collective benefit from the labor recruitment process throughout all these years. As the “representative parent”, Lao Li also facilitates reaching pacts (though in the oral agreement form) between Mr. Li and workers’ family heads (mostly their fathers) so that the labor force could stay stable at least for a year, avoiding unexpected labor mobility or shortage problems. This three-way pact serves as a powerful basis for workers’ loyalty in the household factory, which at the same times has the effect of circumventing the procedure of signing a labor contract, violating monthly payment law provision and sometimes intentionally hiring child labor.

While Mr. Li and Lao Li’s elite pact is a long term pact, the three-way pact between workers’ family heads, Mr. Li and Lao Li is usually based on a year. This is

largely due the characteristic of the labor pool where competition for workers is sometimes fierce. As mentioned earlier, there are also other job agents around the area, and there are even occasions when different factory owners prey on the same workers. Given that it is the parents of the workers who make decisions rather than the workers themselves, parents would always try to get the best offer for their children. However, because parents don't work in the factories, their standard of judging the best offer is predominately based on economic terms. That is why sometimes when workers do have a deep loyalty toward their group leaders, they don't have the decision power to work in the same factory if other factory owners offer better salary to workers' parents. Besides competition, there are other considerations of the workers families to prefer a yearly pact. For example, agricultural needs, marriage arrangement, familial responsibilities such as taking care of the old and young, and so forth.

In order to maintain the three-way pact and hopefully extend it to the future, Lao Li always comes back and forth between his rural communities and the factory, bringing gifts, local food, clothes, etc. from workers' homes to workers in the factory, chatting with workers to understand their needs and feelings, and playing with them when the work schedule is relatively relaxed. He also brings workers' salaries back to their parents in the rural homes, send greetings or letters from workers to their families, and sometimes take workers home if they are sick or ready to marry. Lao Li's constant presence and intervention in both the rural communities and the factory reinforces the strength of the three-way pact, generating and maintaining consents from all sides.

Reproduction of Labor

Inside the factory, workers' accommodation and food are fully covered by Mr. Li and workers live together with Mr. Li's family members in the same "household". Though Mr. Li couple rarely stays in the factory, they do have a bedroom inside the office where they could rest when they have work to do in the factory. Besides the kinship managers and their families, Mrs. Li's old mother also lives in the household factory. All bedrooms and dorms are located on the third level, and there are 7 female dorms, 4 male dorms, and several private rooms. The overlapping of household and factory blurs production space and living space, public sphere and private sphere as well as work hours and rest hours. It further creates an image of extended family with warm familial atmosphere while in reality, there is a strict privilege system based on people's status in the household. Such status differences can be found in the living arrangement, food condition, entertainment pattern, medical care, and perhaps most important the right to reproduce.

Each female dorm accommodates 11-12 female workers and each male dorm accommodates 6-8 male workers. There is no individual bed but a huge continuous bed on both lower and upper level, leaving workers no privacy at all. There is so little space that workers' cloths are sometimes hung right over their heads or becomes a part of their quilt. In contrast, married managers and workers are entitled to private rooms which usually have some furniture or even TV or DVD player. Though the

private room is about 1/3 of the dorm, the average space per person is much bigger. Moreover, most private rooms face south whereas most male dorms face north and female dorms face west (facing south is the best, facing north is ok, and facing west is the worst in Chinese views) so that female dorms are extremely hot in the summer.

Food is served during lunch and dinner breaks. Meat is rarely seen in the meals. What are served daily are two huge veggie dishes with steamed buns. There are two different canteens though food is the same. The big canteen is for ordinary bag workers where there are no chairs and the small one is for managers and skilled workers like bag designers and office workers. However, the big sister usually chooses to eat in the same canteen as the ordinary bag workers.

Entertainment on the dorm level is segmented too. Ordinary workers rarely associate with skilled workers like bag designers or managers outside production domain. While managers and skilled workers watch movie together in their private rooms, workers usually chat with each other or play with their group leaders in their dorms. Group leaders, on the other hand, associate with both workers and skilled workers or managers. On a few occasions, the big sister and workers might enjoy Karaoke together in the workshop during light seasons.

Medical expenses are considered workers' own responsibility, though minor injuries are "taken care of" by the big sister in the workshop by providing workers with woundplast and hydrogen peroxide. The only exception is that cutting workers have insurances because their work is more dangerous. Nonetheless, if a worker suddenly gets really sick, the big sister will take him/her to the hospital immediately even during midnight, but the costs are deducted from the workers' salaries later.

The most important privilege in the factory is perhaps the right to reproduce and rear children in the household. Several workers are raising their babies or kids in the factory, and they all have a close relationship with the owner family. For example, two bag designers are relatives of the owners and a senior cutting worker has worked in the factory for many years. The factory covers their whole family's accommodation and food as well. During my investigation, two ordinary female workers were pregnant. Both female workers worked for the first few months during pregnancy and started to rest in their private rooms later while their husbands continued to work on the shop floor. Though their accommodation and food were still covered by the factory, both couples were planning to have their baby back in their rural homes.

Summary

In this chapter, I have explored the factory regime of Mr. Li's big household factory. The prosperity of its market and political relations lead to a patrimonial factory regime in which power is decentralized to family members as well as to outside managers and group leaders. The decentralization of power gives rise to a layered structure of authority and loyalty that is realized through a set of familial factory discourses and practices. A corresponding layered structure in the reproduction of labor emerges in which people's access to various resources is based on their statuses in the household factory.

Chapter Six

Conclusion

In this dissertation I have attempted to establish a new type of factory regime---Familial Household Production---in China based on a study of Baigou bag industry. So far I hope I have demonstrated that not only household production is different from other types of well-known production systems of SOEs, TVEs and FEs due to its familial characteristics but also what further distinguishes them is that household production always exists in a context of flexible industrial district which simultaneously promotes and reproduces familial household factories. The underlying flexibility of the entire industrial district, however, is dramatically different from flexible technology or social networks that characterize Silicon Valley or Third Italy, but is afforded by its flexible familial household factory regimes. There are three main variations of this familial household factory regime---patriarchal, paternalistic and patrimonial---each with variable factory practices ranging from mode of labor recruitment, organization of work, pay, etc. and all have an interchangeable potential between them. The easy expansion and contraction of household production forms the basis of the system-wide flexibility while the ensured familial loyalty guarantees the smooth transition between different sub-types household factory regimes.

In addition to filling in the gap of literature on household production, and possibly, providing a different source of flexibility to the literature on industrial district, this dissertation also aims to move factory regime paradigm forward by 1) examining the whole industrial district rather than focusing on a single factory; 2) attending to the comprehensive factory practices with an emphasis on space; 3) addressing varieties of production regimes under the same category and 4) addressing varieties of production regimes within one country.

A New Type of Factory Regime: Familial Household Production

Although my case studies are carried out in Baigou, the conclusions are by no means limited to Baigou but are generally applicable to many household production systems in other places such as Anxin County's shoe industry, Rongcheng County's apparel industry in the larger Hubei region as well as other parts of China. All these factories are rooted in rural households with small capital and scale. Workers are rural migrants recruited through familial and community ties and owners and managers work, eat and live with their workers, creating overlapped working and living space therefore obscuring public and private space as well as work and rest hours. Work relations are reconstructed as familial relationship and workers consider their factory owners/managers as uncle/aunts or brothers/sisters, justifying wage as an allowance system. Because these "uncle/aunts" or "brothers/sisters" directly engage themselves in production alongside the workers, potential issues of labor conflict like long work hours, harsh work conditions and non-payment of monthly wages are well subdued and contained. Certain privileges like the right to reproduce in the factory are

contingent on the workers' closeness to the factory owners. Under familial factory regime, work is organized along familial rather than institutional lines, generating loyalty instead of coercion or consent. Taken together, as mentioned earlier, household production stands out as a different type of factory regime compared to SOEs, TVEs and FEs in China.

Compared with SOEs, TVEs and FEs, household production stands out as a unique production system in terms of region, market relation, political relation, organization of work, and reproduction of labor. In regards to region, SOEs concentrate in urban centers; TVEs concentrate in advanced rural regions, especially the Yangtze River Delta; FEs concentrate in coastal and Southern China while household production reside mostly in rural hinterlands. In regard to market relations, SOEs' are owned and operated by the state, with supply and demand both from the state plan; TVEs' are usually owned by township or village whose supply and demand is market-driven; FEs' belong to foreign capital that uses cheap Chinese material and labor for production and sells to overseas market while household production' capital comes from small household savings. In regards to political relations, SOEs are controlled directly by the state; TVEs deal more with the local state which usually act as their sponsors; Neither central or local state intervene much in FEs' work process but FEs maintain a good relationship with clientalist local state in exchange for favorable conditions while household production maintain relationships with local officials through individualized familial relationship or friendships. In regards to the organization of work, SOEs' operation has been characterized by communist neo-traditionalism---organized worker dependence on their enterprise and leaders; TVEs' operation is collectively oriented; FEs' operation has been seen as despotism while household production' operation is through a reconstructed familial arrangement. In regards to reproduction of labor, SOEs' workers are urban citizens whose reproduction of labor is realized in Danwei; TVEs' workers are local villagers whose reproduction of labor is village-based; FEs' workers are rural migrants who work in urban cities but whose reproduction of labor is done in workers' own rural homes while household production' workers are mainly rural migrants who work in another rural area while reproduction of labor is determined by the workers' closeness to the owner family (see table 1).

Table 1: Comparison between HP, SOE, TVE and FE

	HP	SOE	TVE	FE
Region	Rural Hinterland	Urban Centers	Rural Yangtze River Delta	Coastal- Southern Cities
Means of Production	Rural Household	State	Township and Village/Private	Foreign Capital
Labor Market	Rural-familial Migrant workers	Urban Citizens	Local Villagers	Rural-Urban Migrant Workers
Organization of Work	Familial	Neo- communist	Collective Orientation	Localistic Despotism
Reproduction of Labor	Closeness to owner family	Danwei (factory unit)	Village Based	In workers' rural homes
Political Relations	Individualized Familial relation or Friendships	State-direct	Local-state sponsor	Little state interventions

What further sets household production apart from other types of production systems in China is that household production is almost always carried out within the context of a rural industrial district. A township center usually serves as the sales locus that creates and maintains relationship between producers, traders and clients as well as between different producers. The industrial district is on the one hand a product of the development of tens of thousands household factories in an extended region while on the other hand it provides external economies and flexible conditions that reproduces the household factories in the industrial district. And ultimately, the flexibility of the entire industrial district is achieved through the internal and external flexibility of familial household factory regimes to which I will turn to now.

Variations of Familial Factory Regimes

A patriarchal factory regime is usually correlated with a factory's limited access to market/political relations and its sole dependence on family members as workers; a paternalistic factory regime is usually correlated with a factory's stable access to market/political relations and its reliance on both family members and fellow villager families as workers; and a patrimonial factory regime is usually correlated with a factory's expanding access to market/political relations and its connection with a job agent who recruit workers from his own communities. The essence of each factory regime lies in its organization of work, with authority structure as its political apparatus, discourses and practices as the labor process and loyalty structure as the political and ideological effect.

In the previous chapters I have illustrated all the aspects of organization of work in a patriarchal, paternalistic and patrimonial factory regime respectively. Now let us take a close look at each of these aspects across different factory regimes to better capture their variation.

In a patriarchal factory regime, the patriarch is the absolute authority over his family member workers. The patriarch is most often the eldest male in the household who is at the same time the owner, manager and worker in the factory. The patriarch controls all the household resources and the distribution power, though the resources might be quite limited. In a paternalistic factory regime, the factory owner is the central authority. He is not necessarily the eldest male in the factory but he is the economically most competent one. He has authority over his workers who are mostly his family members and fellow villagers, and because these family members and fellow villagers have their own smaller families working in the same factory for the same employer, these working family heads have authority over their family members. Therefore in a paternalistic factory regime the owner's authority is centralized but exercise of power is not often direct, rather governance is done through the workers' families themselves. In a patrimonial factory regime, the owner is at the top of authority but his authority is decentralized to his family members who are serving as managers of different departments (and sometimes to outside managers), and managers' authority is decentralized again from family members to group leaders who are senior workers overseeing their group member workers.

From patriarchal to paternalistic then to patrimonial factory regime, the authority changes from absolute and direct to centralized but indirect and then to decentralized and indirect. The different political apparatus give rise to a different set of factory practices that reflect the different modes of domination.

In regards to space/time, there is the strongest overlap of working and living space in a patriarchal factory regime, with the workshop being at the same time the living room and bedroom sometimes and work time is flexible with the demand of the patriarch and the fluctuation of outsourced bag orders; in a paternalistic factory regime, though the workshop is simultaneously the living room or bedroom, the office, living room, bedroom, dining room, etc. are usually mixed. Work time is mostly fixed, and extra work time is rare; in a patrimonial factory regime, workshop,

dorms, office and canteens are separate, but because all the rooms are concentrated in the same rural household, it is still hard to distinguish between working and living space. Work time is fixed, but extra hours are common especially during peak seasons.

In regards to production dynamics, I term them family, team, and group production dynamics respectively because in a patriarchal factory regime, interactions between owners and workers are purely familial, especially with some unpaid domestic labor and many babies raised right on the shop floor; in a paternalistic factory regime, the owner family and worker families work alongside each other, creating a strong sense of unity and cooperation as well as a relaxed familial working atmosphere; in a patrimonial factory regime, workers are divided into groups that promotes inner-group identity and coordination and inter-group competition. Workers interact mostly with their group leaders rather than managers/owners directly.

In regards to regulation and fines, there is no regulation and fines in the patriarchal factory regime at all, but if workers make mistakes to a certain degree, owners will send them a signal; there might be some oral regulations in the paternalistic factory regime, but not fines. Some even have a reward system instead of a fine system; there are certain formal regulations in the patrimonial factory regime but actual regulation is informal and fines are contingent on the type of behavior and the discretion of managers. Conflict is rare and resolved in familial ways.

In regards to wage, workers can ask for allowance anytime in a patriarchal factory regime and their yearly wage will only be given to them after they return to their hometown before the spring festival; in a paternalistic factory regime, allowance is distributed on a monthly basis and yearly wage will be given to workers at the end of working year before they leave Baigou. And in a few cases, workers can insist on getting their monthly wage with a month's wage withheld; in a patrimonial factory regime, workers get a fixed amount of allowance every ten days and their quarterly wage every three months.

Different configurations of political apparatus and factory practices result in different sets of loyalty structure. In a patriarchal factory regime, the patriarch controls all household resources and family members render absolute loyalty to him; in a paternalistic factory regime, workers render absolute loyalty to their family heads and altogether they render long term and deep loyalty to the factory owner; in a patrimonial factory regime, there is a layered loyalty structure with managers rendering absolute loyalty to the factory owner, group leaders rendering long-term and deep loyalty to managers and workers rendering deep but short-term loyalty to the group leaders.

Reproduction of labor, on the one hand reflects these factory regimes' features while on the other hand reinforces them. In a patriarchal factory regime, reproduction is a right to all household members, and they enjoy the little common wealth as a family; in a paternalistic factory regime, workers enjoy access to much of the owners' personal properties and welfare but reproduction is a right to only the owners' family members; in a patrimonial factory regime, there is a privilege system based on people's statuses in the household, with the right to children rearing restricted to

family members, senior workers and skilled workers (see table 2).

Table 2: Variations of familial household factory regimes

Factory Regime		Patriarchy	Paternalism	Patrimonialism	
Determinants					
Market/Political Relations		Limited	Stable	Expanding	
Organization of Work	Authority Structure	Owner ↓ Family Members	Owner ↓ Family Heads ↓ Family Members	Owner ↓ Managers ↓ Group Leaders ↓ Workers	
	P r a c t i c e s	Space/ Time	Overlap/Flexible	Overlap/Fixed	Overlap/ Fixed with extra hour
		Production Dynamics	Family Work	Team Work	Group Work
		Regulation and Fines	None	Oral	Some
		Wage	Allowance anytime, year-end wage back in hometown	Allowance monthly, year-end wage in Baigou	Allowance every ten days, quarterly wage
	Loyalty Structure	Owner ↑ Family Members	Owner ↑ Family Heads ↑ Family Members	Owner ↑ Managers ↑ Group Leaders ↑ Workers	
Reproduction of Labor		Common wealth, reproduction to all	Certain access to welfare, restricted rights to reproduction	Little welfare, no rights to reproduction	

Transitions between Different Types of Familial Factory Regimes

There are three main mechanisms through which one type of familial factory regime transit into another type of familial factory regime. The first one is natural growth, the second one is splitting off, and the third one is absorption. Although I call the first mechanism “natural growth”, it is not really so “natural”. I am using this term to describe an ideal development path in which all factors such as foreign/domestic market condition, recruitment of labor, work process, etc. cooperate well to facilitate the expansion of the household factory, and its transition between different types of factory regimes.

A common trajectory of these factories is like this: a family head organizes his own family members to start a household factory in Baigou, and adopts a patriarchal factory regime---government by the family--- to control his workers. As market relations expand, the factory owner turns to his ethnic ties to recruit more workers who are from the same village, township, or region as the owner and encourage these workers to bring their own family members as well. The employment of both owner’s family members and worker families from the same ethnic background gives rise to a new type of factory regime---paternalistic factory regime in which government is done through the family. As market relations further expand, the factory owners mobilizes both his workers and sometimes outside job agents’ ethnic and community ties to recruit more workers, and rely more on his own family members to manage the factory through a patrimonial factory regime so that the owners’ family members are practicing “government for the family”. In fact, many large factories in Baigou have been through transitions from patriarchal to paternalistic and then to patrimonial factory regimes.

However, when conditions worsen, the opposite transition would occur. That is, a patrimonial factory regime might fall back into a paternalistic factory regime, or a paternalistic factory regime might fall back into a patriarchal factory regime. And the worst case would be a factory closure.

The second mechanism through which transitions between different factory regimes take place is splitting off. Splitting off could happen to any type of familial factory regimes, and the result is usually on the one side a smaller original factory or a transition into another type of factory regime and on the other side a new born patriarchal or paternalistic factory regime.

Perhaps more often, especially in the villages, splitting off is usually a companion of an important event in rural people’s life cycle---that is, the marriage of the younger generation. During my visits to the hundreds of village households, I learned that when sons (not the oldest ones because the oldest son is supposed to continue to live with the parents so as to take care of them) get married, they are likely to start their own household factory rather than staying in the old household factory opened by their parents.

The third mechanism through which transitions between different factory regimes occur is absorption. Here absorption is quite different from the concept of “buying off” or “merge”, rather, it is more like “reunion” of households. The mechanism of

absorption happens only between familial parties who might have once split off from the original household factory and later returned or who are running different factories at the same time but decide to work as one.

Although each of the three mechanisms could cause certain types of transitions between different familial factory regimes alone, in reality, they might work together at times, or one factory might experience more than one type of transition under different conditions.

Flexibility Based on Familial Politics of Production

There are mainly three typical familial factory regimes in Baigou: patriarchal, paternalistic and patrimonial. These variations form the basis for the flexibility of production as well as the flexibility of the entire Baigou industrial district.

First, there is a general dynamism between patriarchal, paternalistic and patrimonial factory regimes. In Baigou, small household factories are predominantly patriarchal, median household factories are predominantly paternalistic and big household factories are predominantly patrimonial. Although not all the small household factories like Mr. Su's will grow into median household factories like Mr. Ma' or big household factories like Mr. Li's, most big household factories have been through the development stages from small household factories to median household factories and finally to big household factories. And most median household factories are also once small household factories. In other words, as factory expands, patriarchal factory regimes are likely to become paternalistic and even patrimonial. However, factories do not always expand; they also contract due to various reasons. Therefore, patrimonial factory regime might become paternalistic or even patriarchal and paternalistic factory regime might become patriarchal, and patriarchal factories might simply withdraw and retreat to their rural household in Baigou or elsewhere. Many factories have adopted one form of familial factory regime or another at different times of their development stages.

Second, when one factory adopts a certain type of familial factory regime, its actual factory practices may vary to a great extent. As demonstrated in the last section, there are different configurations of space/time, production dynamics, regulation and fines as well as wage system in patriarchal, paternalistic, and patrimonial factory regimes. Although the underlying authority structure and loyalty structure as the political/ideological apparatus and political/ideological effect remain relatively similar across factories with the same factory regime, the space/time arrangement, owner/manager/worker interaction patterns, degree of regulation and fines and the mode of payment may vary from factory to factory. For instance, sometimes the factory owner is a female rather than male so her role as household master might entail different communication patterns between her and her workers; for another instance, allowance distribution amount and frequency can be different from factory to factory. For factories with similar scales some distribute allowances once a month, some distribute allowances twice a month and others distribute allowances once a

week, etc. Overall, there is great flexibility within each specific type of factory regime regarding actual factory practices.

Third, the familial social networks promote the flexibility of Baigou industrial district as a whole. The diverse recruitment of labor from familial/ethnic communities not only ensures that factories will be able to get necessary labor with great loyalty when they need; it also ensures that workers will leave the factory willingly when the factory scales down. However, because each factory is familialized, it usually quit the bag industry as a family and workers don't usually just find any other factory to work in after their original factory is gone. This familial arrangement enables the easy entrance to and exit out of Baigou bag industry as well as smooth expansion and contraction of household factories. In addition, such familial/ethnic network enables the different combinations of market and political relationships so that the entire industrial district remains vibrant and reaches a balance between cooperation and competition.

Comparatively, while flexibility of other industrial districts is achieved through technological innovation and system-wide social networks such as in the "Third Italy" and Silicon Valley, the flexibility of Baigou industrial district is realized through its selective familial networks and familial organization of production.

Methodological Appendix

Every fieldwork project is a journey full of anticipation, surprise, wonders and sometimes contradictions. Even the most experienced ethnographer with a well thought-out blueprint in mind will find himself/herself in a sea of unexpected encounters and overwhelming information once he/she is in the field. It is also where the gems are embedded or hidden. This perhaps, is the charm of fieldwork, and my fieldwork experience is no exception. For a research project looking at household production, a production system that was protected by the double barrier of traditional village and household, entrance seemed to be the most meandering and circuitous part of the whole process.

Like many ethnographers, I tried to enter my field site without the interference of power so as to minimize the influence of the powerful over my subjects of study and my research project. Although I still maintained connections with some important local political leaders in Baigou from a previous research project (the Migrant Worker Night School Project), I did not inform them of my presence in Baigou and my intention to study household production in the first place. Instead, I wanted to enter the household factories by myself, and I wanted to start with the village household factories in order to escape the sight of local state leaders.

Luckily my friend Mr. Zhong from Tsinghua University was taking an internship as a student village cadre (the student village cadre internship is a popular program in China today which sends thousands of college students to serve as student village cadres in rural areas for a certain periods of time) in Gaoqiao village, the exact village where the whole bag industry originated in the Baigou region. Despite the title as student village cadre, “I wasn’t given much power or taken seriously as a cadre in the village. Rather, I am more like a secretary for the village cadres and a computer expert for the villagers” Mr. Zhong shrugged his shoulders. Though feeling a little sympathetic to Mr. Zhong’s status, it was in fact not too bad for me since I was trying to avoid the impact of power.

Mr. Zhong was a very considerate person and he arranged a place for me to stay in Gaoqiao village when I arrived. It was the village doctor’s home on one side of the main road that runs through the village, and his clinic/house is somewhat separated from the rest of village homes. “Dr. Huang was more willing to take you because he is a doctor who is better educated and open minded. The other villagers are mostly conservative and afraid of taking strangers due to the 2002 accident, especially when they run a factory in the household.” Mr. Zhong informed me. So I stayed with Dr. Huang and his family for the first couples of weeks during my fieldwork. I wasn’t born or raised in a rural region, and I really freaked out when I first saw the sign of “beware of snakes” on the wall of the open toilet with no door or roof in the corn fields. There were also all sorts of insects and bugs inside and out, and my whole body got red and itchy in no time. Thank God Mr. Huang was a doctor, and his family helped me cope with many such things during my stay.

“You are Mr. Zhong’s girlfriend, right?” Dr. Huang’s family asked me. “No. We are only friends. Why?” I replied. “Nothing, just wondering” they smiled. My stay at

Dr. Huang's home was soon news to the whole village, and almost everyone who heard about me took for granted that I was Mr. Zhong's girlfriend. My denial only made them feel more certain that I was Mr. Zhong's girlfriend. From the villagers' eyes, why would a university girl come all the way to a village and stay for so long if not to visit her boyfriend? Gradually I got used to people's assumptions, and I thought to myself, at least I was not viewed as a threat or complete stranger to the village which might actually facilitate my fieldwork.

Several days later Dr. Huang's daughter was home for summer break, and it was then that I realized the additional reason why Dr. Huang welcomed me to his home. I was politely asked to help Mr. Huang's daughter improve her oral English. I had no reason to decline. Dr. Huang let me stay free with his family and was totally against my proposal to thank him with money. Indeed, in a traditional village like Gaoqiao, giving people money directly for many things including staying over would seem as an insult to them. However, reciprocity is still the most important rule, and teaching Dr. Huang's daughter English was probably the best way for me to repay him. It could also be a good opportunity for me to establish connections with more villagers and their families around the village, and to establish my reputation in the area. After all, reputation is highly valued in traditional villages.

I told Dr. Huang that I was happy to teach his daughter English and he could also invite the children of his friends to join us because the kids can practice oral English with each other. Dr. Huang was very excited and four kids became my pupils. The other kids were children of merchants and traders from other villages rather than the children of household factory owners from Gaoqiao village, and I was indeed able to establish a good relationship with the merchant parents who offered me a lot of insights into the trade. However, I was more eager to get to know the household factory owners. So while continuing to teach the kids English, I asked Mr. Zhong to help me find any household factory that might be willing to take me.

Some days later, Mr. Zhong told me that he tried to persuade his most familiar contacts in the village to take me, but all of them were too cautious to have an outsider in the household. "It was really hard to enter the households. Even after being here for so long, I myself could only enter the household when they need me to fix the computer." Mr. Zhong said: "But a great opportunity is coming, and we both could try to participate in the 2010 census investigation in the village. Such opportunity comes only once in ten years (a nationwide census takes place every 10 years in China), and you could get to see all the households in the village and try to persuade them to take you in."

Therefore I participated in the census investigation in Gaoqiao village as Mr. Zhong's "girlfriend". There were meetings and gatherings for information dissemination and collection about the census, and I was able to know the real village cadres who were mostly old men in the village. They welcomed me as the girlfriend and free labor with good education, and I acted as census investigator and information recorder for the following weeks. During the census, I entered hundreds of households in the village, getting to know the villagers and their family structures by recording the information for census, and trying my best to understand the history, composition

and operation of household factory if any. I was pretty sure that I made a good impression to most of the households, and I started to build relationships with them. Nonetheless, even after becoming familiar with some households, they were still not in favor of my intention to study and stay in their household factory. After conquering the barrier of rural village, the barrier of household persisted. I thought maybe much longer time was needed to establish and maintain the trust relationship with village households and perhaps I could start with the bigger household factories in the industrial park because they were more visible than the village household factories already and might be more open-minded to take a student researcher like me. I was wrong again.

I took out my fieldnotes and checked the list of factories I have had contact with in the previous research project. Although the contacts were first established through the local state back in 2005-2007, I prayed one or two of them might remember me and were willing to take me as a researcher. Many of the factories had moved or changed their phone numbers, and among the three factories I got hold of, two of them rejected my request right away, the other said he was on a business trip and would not be back until a certain date and I could contact him again when he got back. However, the way he said it, felt more like an excuse or lie rather than being sincere. I also tried to visit some of the factories in the industrial park directly, but in the end none was willing to take an outsider, especially a researcher.

To penetrate into the rural villages and particularly household with factories in Baigou is almost impossible for an independent researcher. After a few more futile attempts, I had no choice but to resort to power. I contacted Mr. Wu, one of the most important local state political leaders in charge of bag industry affairs who once led us into dozens of household factories between 2005 and 2007. He was very happy to see me again, and after hearing my research plan, he promised to help me enter the household factories that I desired. I described to him what type of household factories I would like to do research on, and in no time I got phone calls from two factory owners welcoming me to stay in their factory. One of them is Mr. Ma's median sized household factory, and the other is Mr. Li's big household factory. Mr. Li even arranged someone to pick me up and drive me into the factory.

To my surprise, Mr. Li was precisely the one I called days ago who said that he was on a business trip and wouldn't be back in weeks. However, he was right in the factory now to welcome me! I told him that I called him before about my research plan, and he laughed: "I am sorry to lie to you. We would never be willing to take outside researchers, journalist, reporters, or whatsoever. You should have told me that you are a close friend of Mr. Wu! Now that you are a student researcher introduced by Mr. Wu, you are free to do whatever you need in my factory, and I will tell everyone to cooperate with your research." He soon called the people in charge of different departments in, including the general manager of the shop floor, told them that I was recommended by Mr. Wu, and asked them to cooperate with me for my research agenda.

In a similar way, my entrance into Mr. Ma's household factory was smooth, and Mr. Ma asked everyone to cooperate with me when necessary. On the contrary, the

access to the small household factory in the village is the most difficult one. Because Mr. Wu is not a villager from Gaoqiao village, it is even impossible for him to find a household factory in Gaoqiao village. Fortunately Mr. Wu was from a village right next to Gaoqiao which joined the bag industry around the same time as Gaoqiao, and he asked me if I could go with a household factory in his own village. "Of course, and thank you very much!" I told Mr. Wu, thinking if it was so hard to enter a Gaoqiao village household factory through a powerful figure like Mr. Wu, it was probably not possible at all for me to enter one by myself even if I spent much longer time building relationships.

Mr. Wu assigned a village cadre Mr. Zhao from his own village to assist me finding the right household factory. Mr. Zhao was an old, well-respected man in Sunshine village, and he invited me to his home to talk about my plans. Once I arrived, I found out that he rented part of his house to a family from Henan Province to serve as workshops and living spaces. I told him that this small household factory would work as a good case for me. He shook his head and said that he would find me better ones. Obviously Mr. Zhao did not want me to do research in his own home, so I didn't insist much and told him that I would appreciate it if he could find a household factory similar to this one. He made phone calls to some factory owners in Sunshine village and informed them about my research plan, emphasizing I was a student researcher introduced by Mr. Wu. Even so, all the household factory owners Mr. Zhao called rejected the request. Mr. Zhao had no other options but to let me carry out my fieldwork in his own home because he had to fulfill the orders of Mr. Wu. The small household factory owner Mr. Su was surprised when Mr. Zhao introduced me to him, but I guessed due to their relationship as landlord and renter, Mr. Su had to accept me.

Finally I gained access to all three household factories I desired, all through the magic work of power. Indeed, in a traditional rural area with double barrier of village and household, and in an industrial district fearful of exposures after the 2002 accident, power seems the only way to knock down the protective barriers (Shen, 2007). While at first I worried that power might distort my research project or impose unwanted influence on my subjects of study, it turned out to be an important factor that contributed to my freedom and independence during fieldwork.

Once I got inside the household factories, I was warmly received by the factory owners who granted me total freedom for research purposes, precisely because I was introduced by the powerful figure Mr. Wu. In Mr. Li's factory, he not only asked immediately all his family members and office clerks in charge of different departments to cooperate with me should I need any information or help from them, he also arranged the workshop general manager---his younger sister---Xi Li to introduce me to the 100ish workers through their morning ritual in the yard, asking the workers to cooperate with me for my project. In Mr. Ma's factory, there was no morning ritual, but I was led to the workshop by Mrs. Ma who asked everyone to stop their work at hand for a minute to introduce me and to seek their future cooperation. In Mr. Su's factory, because the workshop was so small and there were altogether only six workers, I was already the focus right away when Mr. Zhao was telling Mr. Su about me and my research plan, and Mr. Su did itinerate again to all his family

members that they should try their best to facilitate my research.

Following all these introductions, I made a short speech to all the workers, emphasizing three points: first, I am not a spy sent by the management to oversee their work. Rather I am a student researcher from US who is trying to write a paper about factory life; second, my chances of graduation from university is contingent upon this paper I am going to write based on workers' true experiences, so I'd appreciate their cooperation from the bottom of my heart; and third, I might be better at English or math than most workers, but I really suck at manual work which the workers do, and I beg them not to make fun of me but to teach me how to do it well.

I gave my speech this way because I wanted to convince the workers that I was not sided with the management in any way, and therefore they did not need to worry about what they say or what they do given my presence; I also wanted to make sure that my status as a researcher did not impose any power-related effects on my subjects, that was why the title of "student researcher" worked well. In addition, instead of being a powerful researcher over the researched, I conveyed the idea that my success of research thereby my prospect of graduation depended much on the workers. It was not me that had a say in workers' future but it was the workers who had a say in my future. Furthermore, between me and the workers, there was a bridge for reciprocity and we could both learn from each other. I hoped by presenting myself this way, my relationship with the workers could be, at least from their eyes, more equal and enjoyable. Hearing my speech, both workers and managers laughed, and some workers started talking to me right after, leading me gradually to their real work and life.

If my claimed role of student researcher was widely acknowledged, both by the factory owners, managers and workers, my perceived roles were not identical for different groups of people. As time went by, I became much more than just a student researcher for many. In Mr. Li's factory, Mr. Li always saw me as a potential market connection between US and his factory, asking me to inform him of any such opportunities when they came up; for the designers, I was a great helper who could teach them how to navigate the new fashion on foreign websites; for the office clerks who were mostly secondary college graduates, they were curious about my experience as an international student in an American university; and for the young workers, I was a slow manual worker but a good friend.

In Mr. Ma's factory, Mr. Ma thought I was a person with richer vision but not so much as a potential market connection because he relied mainly on his current market agent; Mrs. Ma on the other hand, portrayed me as a role model for her daughter and enthusiastically promoted our communication on the internet; for the older workers, I was viewed as a good kid and for the younger workers I was considered a peer. And for most people in Mr. Ma's factory, I was also taken as a half "Laoxiang" because I was also born and raised in southern China and my province is right next to Sichuan Province where most of the workers came from. We shared similar culture, eating habit and dialect, and a good portion of conversation was done in dialect which created a more relaxed atmosphere. In fact, most interviews in my three case studies were carried out informally rather than formally, although the content of interview

was well thought out beforehand. I felt that when interviews were embedded in the process of participant observation, the information gathered was more true and sincere.

In Mr. Su's factory, in contrast, I was a welcome outside guest for the small family. Since everyone in Mr. Su's factory is blood-related, I was of course not a family member. However, because there were fewer people and less work than the other two factories, I actually had more time to hang out with the workers and became a beloved family guest for them. I was also deemed a good "babysitter" and a nice helper on different occasions.

All these different roles and identities generated and mobilized throughout my fieldwork promoted the trust relationship between me as the researcher and my researched subjects, thereby facilitated the process of participant observation as well as interviews that accompanied it. Besides the additional roles I enacted according to different situations, I would also like to stress the unconventional role I took as a researcher of labor relations which enabled to me learn more comprehensively about the household factories and their environments.

Traditionally, ethnographers of labor relations took the role of an ordinary worker who worked exactly the same as other workers. I am not denying the importance of working alongside the workers, and indeed, it is one of the most effective ways of getting to know the essence of the work process. However, it might miss the opportunities to observe what goes on outside the work group the researcher is in and outside the workshop but which is significant in understanding the real, comprehensive process of work.

For one thing, many scholars focused on one group of workers he/she worked with and studied in depth. In contrast, I chose to work with different work groups/workers at different times, depending on the occasion. For instance, I have worked with all 5 groups of workers in Mr. Li's big household factory and it turned out that the group dynamic within and between groups were not always the same. For another, one group of workers' work constituted only one phase in the work process, while other phases of work were also important and might influence what happens in the workshop. For example, designing and cutting were integral part of bag production but which were usually separated from the work in the main workshop. By switching between different departments and phases of work, I was able to develop a more comprehensive picture of the whole work process. In addition, when certain incident occurred in the factory, I could witness it right away. The conflict between general manager Xi Li and Ting Liu and the tension between Yellow Hair and "Erjie" (the chief of metal accessory department) were good case in point.

Furthermore, there were things beyond the work process which could have great impact on the entire work process. These included political relations and market relations as well as other relevant events. When the officials from the Baoding safety inspection bureau came to Mr. Li's household factory, I left my work at hand in the workshop immediately to hear their conversation in the office and to go with them to the glue pasting department to observe their interactions; when Mr. Ma's market agent came to the factory, I got acquainted with him and extracted quite useful information

from him; and when Mr. Su had to deal with his outsourcer, I also tried to follow him around. All these opportunities for observation within/outside the workshop and factory were afforded by my freedom to wander around the factory and to attend to important events as soon as they take place. And such freedom was ultimately a product of entry by power.

While entry by power did render me great freedom and independence at the workplace, and ensured cooperation from the management, it might still to some extent influenced the workers' attitudes towards me. I don't know if all the workers were completely honest with me, but as far as I could tell, most of them were. Although I did not spend all my time working with a specific group of workers, I did spend a lot of time with all of them and tried to mingle with them outside work. It was a pity that I did not live in any of the household factories during the night which might give me deeper insights into workers' real lives and opinions. On this issue I didn't have much choice because most household factories worked till 10 pm and workers went to bed around 11 pm with all lights off. I needed to write my field note at the end of the day and it could cause inconveniences both for me and workers if I had to type on my computer when they sleep. Therefore I rented a place on the boundary of the Baigou Township and the villages from a local who unexpectedly also informed me a lot about the history and development of Baigou industrial district.

Similarly many other encounters during my fieldwork were unexpected, including the doctor family I stayed with for the first weeks, their merchant friends who sent their kids to learn English with me, the villagers from Gaoqiao Village whose households I entered during the census investigation, and so forth, but in the end they all proved to be important contacts and sources of information for me that helped me throughout my research project. To all those I met during my fieldwork, I am grateful.

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