

## **The Triple Absence of Labours' Rights: Triangular Labour Relations and Informalisation in the Construction and Garment Sectors in Delhi and Shanghai.**

*Jens Lerche, Alessandra Mezzadri, Dae-Oup Chang, Pun Ngia, Lu Huilin, Liu Aiyu, Ravi Srivastava. (final version awaits comments from all authors).*

The informalised character of labour relations is an overarching theme within studies of labour relations in the Global South. Some scholars emphasise the commonalities in labour processes and labour conditions created by flexibilisation and informalisation while others focus on the specifics of such relations. The aim here is to take the specifics of informalised labour relations as a prism through which to understand general aspects of labour relations in the South.

We focus specifically on labour agency work. Its steep increase is one central focus of international labour unions such as ITUC and IndustryALL. Their problem is that labour subcontractors 'sever the direct employment relationship' and create 'indirect' or 'triangular' labour relations which 'reduce or eliminate' the end-employer's 'legal responsibilities to the worker' (ITUC 2014: 7); it is a 'triangular trap' (IndustryAll 2012: 8). They rightly argue that this cheapens labour and curtails labours' rights, compared to workers employed in formalised labour relations. However, since most workers in the South are not formal but informalised, we also need to understand how this compares to informalised but direct employment relationships. Why and in what contexts do employers use labour contractors? Does it cheapen and discipline labour and curtail its ability to take collective action compared to other informalised labour relations?<sup>1</sup>

But labour relations cannot be understood in isolation from wider class relations. The different historical trajectory of labour in different countries is bound to impact on present-day labour relations. An aspect of this is the question of citizens' rights – to what extent do workers in a country have proper citizens' rights? Among other things, does the absence of liberal democracy rights hold back labour rights? In liberal democracies such as India, can the state be pressurised more easily than employers to improve the conditions of workers? (Agarwala 2013). Are rights such as government-organised social security for all becoming more important than classic labour rights? More generally, have Polanyi-type citizens' rights-based demands towards the state taken over from class-based contradictions between labour, capital and the state? (Standing 2014). Or, as has been argued in India, may liberal democracy bureaucratise, blunt and oppress struggles while non-democratic systems such as the Chinese one are more susceptible to workers demands and actions?

---

<sup>1</sup> The ILO defines the informal economy as 'all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements' (ILO 2015).

(GurgaonWorkersNews 2015). Extending the argument of Selwyn and Miyamura (2014), among others, we argue that citizenship and citizen rights cannot be separated from class-based relations and class-based labour rights and we look into how aspects of them interact.

General global neo-liberal informalisation trends include the informalisation of all employees but a small core workforce. But sectors and commodity chains may differ and there are different national and regional labour relations conditions and histories. Studies such as Selwyn (2012) and Bair and Werner (2015) have highlighted aspects of this. However our methodology is different to theirs. We take a comparative approach, of different but comparable labour relations. This involves two countries and two sectors: garment and construction in India and China. It enables us to distinguish between global trends and specific national class relations. In both countries, these sectors are the largest non-agricultural sectors in terms of employment, the main sectors for rural migrants and they provide them with entry-level non-agricultural jobs. They differ in a number of ways, including, notably, that garment production often forms part of global value chains while construction is solely domestically oriented.

We study labour relations in individual enterprises and worksites. We relate this to types of production as defined by sectors and within sectors, to product markets: domestic or export, to type of capital involved, the size of the enterprises and their position in subcontracting chains. These are factors which can have some importance for the labour relation.

Our general conclusion is that the workers studied are faced with a *triple absence*: the absence of formally recognised labour relations and formally recognised employers, the absence of the right to organise, and the absence of rights other than those directly concerning the labour relation. Focussing on real as opposed to formal rights, these absences are interrelated; and they are sector specific as well as country specific in a wider sense than can be gleaned from a 'citizens' rights' perspective.

The paper proceeds by providing a brief overview of the development of capitalism and labour relations in India and China and in a chosen region in each country. It then presents fieldwork results from our research on the construction and garment sectors in the two regions, and ends with a concluding discussion.

### ***Labour relation in China and India***

Compilations of separate China and India-specific articles abound but few proper comparative studies exist (e.g., Lund-Thomsen et. al. 2012, Suresh 2010, Vijayabaskar and Jeyaranjan 2011). Both countries have successfully integrated themselves into global capitalism, not least through the expansion of capitalist non-agrarian labour relations to new groups of circular labour migrants from rural areas. This is more so the case for China than

for India (Sen 2014, Riskin 2014; Cartier 2011) but for the construction and garment sectors it holds true for both countries.

The booming economy in both countries is based on informalised labour. From the late 1970s onwards, China moved from state-owned enterprises, job security and wider social securities for urban workers to a private sector-driven market economy flaunting existing labour regulations. The huge export oriented factories in the booming coastal region ‘sunbelt’ (Lee 2007) was based on rural migrants without urban *hukou* (citizen rights) who had to circulate on a yearly basis between their rural homes and the jobs in the urban centres, without job security or other kinds of security. The number of such ‘peasant workers’ increased from 30 million in 1982 to 262 million in 2012, thirty-four per cent of the total workforce.<sup>2</sup>

In the early 2000s labour markets tightened, poverty fell,<sup>3</sup> and labour struggles increased significantly from 2004 onwards (C. Chan 2010, 2014). A second generation of migrant peasant workers with a stronger ‘working class identity’ has emerged (C. Chan and Pun 2009, Pun and Lu 2010a, Lin 2015). The central government reacted with a mixture of oppression and legitimising action (C. Chan, Pun and J. Chan 2010, Friedman 2014, Hui and C. Chan 2011). Strikes, independent unions and collective bargaining are prohibited and leaders of strikes are punished harshly. But the government also enacted labour contract and labour arbitration laws in 2007 which stipulate labour’s right to written contracts, access to mitigation and fines for employers; and statutory minimum wages have been raised in real terms year on year since the early 2000s in the coastal regions (except in the 2009-10 crisis year) (C. Chan 2014).

The bottom of the Chinese manufacturing hierarchy, including the garment sector, is characterised by low wages, very long working hours and the ignoring of labour laws, with widespread use of labour contractors, payment only at the end of the working year and factory dormitories that also enable tight control of the rural migrant workforce in their sphere of social reproduction (Pun and Smith 2007, Lüthje 2013). The construction sector is even worse in all these respects (China Labour Bulletin 2013, Swider 2015). Nevertheless, workers sometimes do take action, especially against non-payment of wages, through strikes and public protest, self-harm actions and so-called ‘riots’ (China Labour Bulletin n.d, Pun and Xu, 2011, Zipp and Blecher 2015).

For practical reasons, the focus here is on a single region in each country. The Delhi and Shanghai regions were chosen. They are the most populous conurbations and are hubs for circular migrant workers. They are both centres for the sectors investigated.

---

<sup>2</sup> Of these, 163 million were interstate migrants (Statista n.d. a and b).

<sup>3</sup> The proportion living on less than 1.25 PPP \$ fell to 9% in 2010 (World Bank n.d.b).

Shanghai flourished from the 1980s onwards. Privatisation and full-scale introduction of a migrant labour force only began in the late 1990s (Buck 2008). The Yangtze region now receives most of the foreign investment in China (44% in 2011); produces 20% of China's industrial output, and delivers 36% of its exports. It outstrips the Pearl River Delta (neighbouring Hong Kong) which used to be the centre of China's export-led industrialisation on all these indicators (Chen 2007, HKTDC Research 2013, 2014). This has led to a tight labour market: the minimum wages in the Greater Shanghai Region (Shanghai municipality, Zhejiang and Jiangsu provinces) are amongst the highest in China (China Briefing 2013). However, reported labour struggles are a good deal less common (50% less) than in the Pearl River Delta, the undisputed leader in labour struggles,<sup>4</sup> and the focus of most of the literature on labour struggles and labour relations in China. In Shanghai the Party exercises strong social control through mechanisms such as its top-down version of *shequ* ('community') government, which, among other things, promises a tiny top layer of migrant workers access to urban *hukou* (Nguyen 2013), thus dividing the migrant labourers into several social groups, and tight control of labour NGOs, including through the introduction of party-organised NGOs (Thornton 2013).

In India, formal labour relations have always been restricted to the small minority employed by major corporations and the government sector, while in the rest of the economy oppressive relations are common and labour and social security laws are ignored with impunity (NCEUS 2009). In total, 92% of employment is informal (2011-12). This includes more than half of all workers in the organised sector (58%) while the use of agency workers has grown rapidly in formal manufacturing industries from 14% in 1990-91 to 34% in 2010-11 (Institute for Human Development 2014: 56, 58). Circular labour migration from rural areas has also increased rapidly and is estimated to number 80 million (Srivastava 2011) or 17% of the labour force, and poverty levels remain very high (Raveendran and Kannan 2011). There is no *hukou* system but, nevertheless, circular migrants most often are without access to government subsidized food shops, free medical centres etc. when working in the cities.

India has free labour unions and the right to collective bargaining and to strike. However, union membership is near-absent among informalised labour. Such labour also rarely engages in struggles, although some high profile cases exist (Sundar 2011, 2012). Light industries including garments are at the bottom regarding pay (US Department of Labor 2013), as is construction (Suresh 2010). Labour markets are tightening somewhat and wages have increased a tiny bit in recent years. This is in part due to a 2005 pro-poor government initiative, the National Rural Employment Guarantee, providing rural households with up to 100 days employment per year at the minimum wage, i.e. over and above the going wage rate in most rural areas (Srivastava 2012). That said NREGA is unevenly implemented and thus its impact varies a great deal (Kannan and Breman 2013).

---

<sup>4</sup> Based on labour struggles registered by China Labour Bulletin, 2011- October 2014 (China Labour Bulletin n.d.).

The Delhi National Capital Region (NCR) is one of the most dynamic industrial regions in India. It spans four states: Delhi, parts of Haryana and small sections of Uttar Pradesh and Rajasthan. Informalised industrial relations vary within the region, with tense relations and strikes, especially in the car and car parts industry in Haryana and with more wildcat strike actions in the last few years than at any time previously, including a few in the garment and construction sector (GurgaonWorkersNews 2015) – but labour action is still not common. The governments of the concerned states are all capital friendly.

### *The construction sector*

Construction is the biggest non-agricultural sector in the world, producing 12% of global output in 2012 (Branson 2013) and employing 180 million workers worldwide in 2008 (Chang *this project*). The world market is dominated by large-scale multinational companies. It consists of two sub-sectors: infrastructure construction and engineering, and construction of buildings. Wholesale subcontracting, triangular labour relations and disguised self-employment are commonplace, even if there are exceptions, e.g. in Germany (Chang 2008, Clarke and Herrmann 2004, Harvey and Behling 2008, ILO 2001). China overtook the US as the main construction market in 2010 while India was number nine. Construction employs 10% and 6% of the workforce in India and China respectively. In both countries the sector includes both public sector and private firms. Till recently foreign firms were limited to foreign-funded projects in China, while in India construction absorbed 7% of total FDI (2000-12) (Chang *this project*, Srivastava *this project*).

### *The Delhi construction sector: fieldwork*

The Delhi fieldwork focused on organised large-scale construction projects. Ten sites were selected, covering different categories of firms and projects.<sup>5</sup> Construction projects in the Delhi region are organised along the same principles as globally. Big infrastructure and buildings projects are awarded to major construction companies, which may be public, private or public-private ventures. The work is normally divided into three stages: 1) preparation activities such as excavation and preparation of the structure; 2) finishing stage, involves the actual building of the structure and 3) installation of services such as electricity, plumbing etc. Each stage is subcontracted to construction companies that are in charge of a stage each.

---

<sup>5</sup> The construction fieldwork took place from 2012-14 on ten construction sites in residential and non-residential building construction and infrastructure, covering public and private sector firms, domestic and joint venture firms, subcontractors and labour contractors. We interviewed 45 firms and contractors and 250 workers. The sites were in Gurgaon (Haryana), NOIDA (UP) and Delhi proper. We held discussions with government officials, union reps etc. In Shanghai the fieldwork followed the same model. Here 30 firms and contractors were interviewed and 142 workers.

Case studies indicate that the labour contractors are part and parcel of India's organised construction sector and that construction workers at large construction projects in particular are predominantly migrant workers (van der Loop 1996, Olson and Murthy 2000, Picherit 2008).<sup>6</sup> In our sample, 86% of all workers said they were employed by labour contractors. Of the skilled workers, 12% said they were employed directly by the (subcontracted) construction firm and moved from site to site with the firm. No workers, not even these ones, had employment contracts. They were paid on average 21% more than others: this is similar to the fee that the employer would otherwise have paid to a labour contractor, but their wages were still well below what formal permanent labourers would have been paid.<sup>7</sup> Seventeen per cent of unskilled workers classified themselves as directly employed. They were doing miscellaneous tasks and were paid the same as unskilled workers hired through labour contractors, thus costing the employer less than these latter.

Labour contractors either worked through cascading networks of place-of-origin-based informal labour contractors, with main labour contractors supplying 100-500 workers. Destination-based contractors were larger, each supplying thousands of workers to several construction sites. They might be formally registered but they kept their workers unregistered, thus denying them a formal labour relation. The construction firms that instigated the employment and managed the work at the construction sites argued that they had no duties towards the workers as their employers were the labour contractors.

Nearly all workers were yearly circular migrants. Most (62%) were contracted for 8-10 months at a time. Few worked throughout the year: workers formally gain more rights if they are employed for a full year, and there is also little construction activity during the monsoon months. Workers were segmented on the basis of skills, gender, hiring practices, place of origin, language, caste and ethnicity. Men dominated, numerically and hierarchically. Women constituted 24% of the labour force, all non-skilled.<sup>8</sup> Most construction workers came from some of the worst-off and most discriminated against caste and ethnic groups (*Dalits* and *Adivasis*) and the most deprived religious minority, Muslims (59% in total), which is in line with the national picture (Institute for Human Development 2014: 78). Most (63%) were from rural households whose main occupations were labouring or petty trade activities and they were either landless or miniature landholders (<1 acre).

Labour came from Bihar (32%) and other states with widespread poverty. Around two-thirds had been working in construction for less than five years (64%) and were young: 70% in the 18-35 years age group. Few (17%) had been in construction work for more than a decade.

---

<sup>6</sup> Parry (2014) provides a case study from an area where workers were predominantly local. This was probably because this was in a home state for construction workers.

<sup>7</sup> Formal and permanent labourers in other sectors in Delhi are paid from 1.5 to four times more than agency labour (GurgaonWorkersNews 2015).

<sup>8</sup> See Dalmia (2012) for a study on women construction workers on a site in Delhi.

Workers worked very long days (on average 10-11 hours against the standard working day of 8 hours), without double pay for overtime. The directly-employed worked on average an hour less per day (10 hours). 92% worked at least six days a week and only 5% had a paid day off per week. The work was very physically demanding, and health and safety regulations were simply not implemented, except for hard hat wearing.

The employer housed the workers either at the construction site (70%) or in labour camps. Only longer-term migrants were renting accommodation on their own (11%). Their sheds and rooms were very basic, most often with shared outdoor water taps/hand pumps (72%) and unhygienic shared toilets (58%) or only open space for defecation (40%). The camps and sites were fenced off and guarded by the employers' security guards, keeping the workers isolated from union activists and others.

Daily wages for unskilled male workers averaged INR 207 and skilled workers earned INR 338.<sup>9</sup> Women were paid on average 9% less. For nearly all workers (93%) this amounted to less than the minimum wage. Most workers were paid an advance of on average INR 5,244, sealing the contract before migrating (62%, more prevalent among *dalits* (78%)). While working, they got a monthly subsistence *ad hoc* payment, the remainder paid at the end of the contract. In spite of the low pay, nearly all (90%) managed to save, on average INR 23,291. For poor villagers this is a considerable sum although it would not cover, for example, the full cost of a health crisis or the marrying off of a daughter. Based on calculations made for garment workers, their wage would amount to 20-25% of what has been calculated as an Indian living wage (see below).

Labour subcontracting means that there are no major differences in terms and conditions between production sites. Workers' wages etc. were principally set before their arrival on the site and thus not closely related to the specific end-employer. That said, pay was somewhat higher on sites where the second tier firm was a public sector firm, and in our one (public sector) infrastructure case. However, this may also relate to the location of these sites, in the Delhi part of the capital region, where wages generally were higher.

Workers had a number of employment-related problems. Two-thirds listed 'low wages' as their main problem, 18% 'irregular payments' and 12% 'long working hours'. They had no effective way of solving these issues. Crucially, labour unions and union activists were barred from the construction sites and the employer controlled camps. Workers feared they might be sacked if they got in touch with a union. Only one worker was a union member, and tellingly, he lived in own rented accommodation outside the camps, and only two workers said that a labour organisation had taken up an issue on their behalf. One union acknowledged that while they did work with *local* construction workers, so far they had not tried to overcome the

---

<sup>9</sup> For a standard eight-hour day the average pay would be INR 161 and INR 247, respectively.

difficulties involved in organising circular migrant workers. We also did not encounter any history of open labour struggles. Labour was segmented, and the ‘triangular trap’ severely curtailed the ability of the agency workers to raise demands. In fact, most workers saw ‘their’ labour contractors as their first port of call if they faced work-related problems (87%).

Local and central government ignored the construction workers and did nothing to ensure the implementation of labour laws, e.g., laws regulating contract labour and migrant labour, minimum wage laws, and health and safety regulations. Less than 1% of workers had access to any social security benefits, including health, retirement and injury-related benefits.<sup>10</sup>

The migrant construction workers had hardly any other rights in the Delhi region. Local registration cards are crucial to accessing government provisioning but only 4% were registered here, thus leaving their rights behind in their home village. They did not have access to subsidised food shops in Delhi, nor to programmes for children including free schooling and kindergartens. Neither did they have local voting rights so they were of no importance to local politicians.

To conclude, the absence of non-labour-related rights meant that all construction workers were *de facto* second-class citizens for 8-10 months a year. By far most of them were in a triangular labour relation and even their living quarters were controlled by the labour contractor. None of them were in formal, contractually recognised labour relations, not even the small proportion directly employed by the construction companies. Of the directly employed workers the unskilled labour was even more exploited than the agency workers. The few skilled directly-employed workers were also informalised, without rights and had only slightly less bad terms and conditions of work and were only slightly less structurally controlled. Across the board, there was no *de facto* right to organise and no right to collective bargaining – and no collective action.

#### *The Shanghai construction sector: fieldwork*

Construction labour relations and workers in China have been studied mainly in the Beijing region (Pun and Xu 2011, Pun and Lu 2010b, Swider 2015), and through quantitative, Chinese language multi-city studies. From the early 1980s, property and housing became marketable, private construction firms emerged and the sector became part of the market economy. State-owned enterprises still dominate the top of the sector but operate as profit-oriented corporations. Local authorities and private property speculators profit directly from continued urban development and are important drivers of the continued construction boom (Chang *this project*). Subcontracting is similar to the Indian case, and the labour (sub)contracting system (*baogongzhi*) is dominant across the industry.

---

<sup>10</sup> Right to Information requests revealed that most firms and developers did pay the statutory 1% cess to the construction welfare board (thus also acknowledging their status as *de facto* employers of construction workers), but none of the workers interviewed had registered with the welfare board.

Our fieldwork shows that the construction sector in the Shanghai region followed the same patterns as other Chinese cities. Workers were *all* employed as agency labour. Compared to the Delhi findings, the workforce composition was singularly male (96%), not young: 82% were 31 years-old or more, and not new: the majority (58%) had worked in the sector for more than ten years. Unskilled workers, on average, were older than skilled workers and had been in the industry longer. This indicates that only skilled workers had the option of moving on from the sector.

Construction workers were normally hired for just short of a year at a time. They came from three neighbouring provinces (48%) but also from faraway provinces such as Sichuan (18%). Nearly all (93%) were from rural households. Most (67%) considered the labour contractor their employer.

Legally, only registered 'labour services companies' can supply labour but, illegally, the labour contractors did not register the workers and hardly any issued labour contracts. Only 11% per cent of the workers had a signed contract. As something new, our study shows that while no unskilled workers had a contract a fair few skilled workers did (just short of 30%), but only the young and skilled: half of the skilled workers below 30 years-old and nearly half of those with at least a senior secondary education had a contract.

Construction workers in Shanghai, as in Beijing, were without the right to organise. Migrant construction workers cannot join the only legal, party-run, trade union (ACFTU) since, without a contract or payslips, they cannot prove a labour relation. In our survey none of the construction workers were unionised. Without contracts they also had no rights in relation to the labour contract law, nor any formal access to the labour arbitration system.

In spite of the near-absence of labour contracts social insurance was not uncommon. Normally, the social insurance system does not cover workers who cannot prove the existence of their labour relations (Beijing Xingzai Renjian Culture and Development Center 2012, here from Pun et al. *this project*). Only a third of the workers provided information on this, but among them, two-thirds were insured, confirming earlier Chinese language Shanghai-based research (Pun *this project*). This exemplifies the relative social inclusiveness of the Greater Shanghai local governments - and its limits: the workers did not have local rights such as access to urban poverty programmes, the government labour exchange or local government-run schools.

Regarding conditions of work, working days were long but one hour shorter than in Delhi (9-10 hours on average). Moreover, half of the workers (51%) got extra pay for overtime. Health and safety conditions were unacceptable although better than in Delhi. Eighteen per cent of workers had experienced work-related diseases or injuries. The employer ran dormitory

accommodation and also canteens for workers, most charging for meals. The dormitories were crowded, with rooms mostly shared by 4-6 workers.

Daily wages for unskilled workers averaged 116 Yuan while skilled workers were paid 140-188 Yuan. The household income for construction workers varied considerably, with some households on the breadline while a minority did very well; the majority (63%) earned 20,000-50,000 Yuan a year from construction work. The majority of construction workers were married (86%) and had two or more incomes.

The workers stated that their main problems were the absence of labour contracts (41%) and social insurance (also 41%), closely followed by the absence of high-temperature additional pay (38%), wage arrears (31%), and the absence of unions (30%).

A common problem in the sector is delay of the full year's pay at the end of the working year, if the construction firm has not paid the labour contractor or if he absconds with the wages. This is the main reason for construction labour conflicts listed by China Labour Bulletin (n.d.). In our case, in such a situation, most workers (64%) said they would put pressure on their labour contractor. If this failed they would seek help from the government's Labour Bureau which might help even though they did not have an employment contract. The majority of workers (72%) would be ready to take collective action, such as going on strike, climbing onto cranes or destroying the buildings they had built – all common methods in such situations.<sup>11</sup> Still, construction workers in Shanghai do not resort to wild-cat strike action as much as their colleagues in the restive Guangdong region; they undertake 11% of all construction workers' strike action in China, against Guangdong's 15% of the total. However, they are more militant than other groups in Shanghai: their strike actions constitute a larger proportion of all strikes in the combined manufacturing and construction sectors in Shanghai, compared to Guangdong (12% of total strike actions compared to 6%) (China Labour Bulletin n.d.). The 'Shanghai model' may ensure an overall lower level of militancy but within Shanghai the construction workers are less pacified than other groups.

This has little to do with the unions. Hardly anyone in our sample (6%) would bring labour issues to the union. Ten per cent worked on sites where unions were represented, but as mentioned none were union members - and the workplace level of unions is often an integrated part of the management anyway, e.g., the HR director might be the union rep. There were also no activist labour NGOs; in Beijing and some other cities they were the main organisations for construction workers.

---

<sup>11</sup> This and the following is based on a questionnaire perception survey of all interviewed workers, supported by additional qualitative information, increasing the validity of the information. However it might be that the workers underplayed their discontent and any non-legal action they were prepared to take. The same methods were used for both sectors in both cities.

To conclude, the similarities between construction labour relations in Delhi and Shanghai are striking. In Shanghai they were, formally, second class citizens during their working year. They were all in triangular labour relations and also had their social reproduction controlled by the contractor and, as in India, they had no *de facto* right to organise and no right to collective bargaining. However there were also differences. They were ready to take collective action for their rights if need be. Their pay and conditions were slightly better and there were signs that the labour market were tightening both for unskilled labour (with few young workers joining) and skilled workers who were younger, better educated and often had succeeded in getting contractual rights – even though they were still agency workers.

### ***Garment labour in Delhi: fieldwork***

India's garment industry is a growth industry. Official figures show that the sector's proportion of (the relatively small) total manufacturing employment increased from 10% in 1983 to 17% in 2011-12, to 9.2 million workers. Its share of global garment exports peaked at 3.5% in 2011 (WTO n.d.). In the last decade the industry has benefitted from an expanding domestic middle class market, the exact size of which is not known. Garment producers estimate that the domestically-oriented medium to large-scale industry makes up 8-15% of the domestic market, small-scale firms cover roughly 50-60%, and neighbourhood-based tailor-made produce 25-40% (Mezzadri, *this project*).

The production is organised by buyer-driven value chains, by foreign and domestic brands and retailers. The industry has been dominated by small and micro enterprises, although some clusters have larger enterprises employing 500+ workers. This in part relates to industrial policies up to 2005 which favoured small-scale garment units. Small enterprises also work well for small production runs, and they further a docile and cheap labour force (Mezzadri, 2010). There are major labour force variations across India. For example, South Indian garment workers are often female while male workers dominate in North India.<sup>12</sup> It has been argued that India is the country where triangular labour relations in the garment sector are most common; and in the Delhi region studies estimate that 60-80% of the garment labour force are hired through labour contractors (Chan, 2013).

The Delhi region is one of the biggest garment clusters in India. With its artisan base it is a centre for fairly short runs of fashion garments such as 'embellished' womenswear with embroidery (Mezzadri, *this project*), mainly for export, and some childrenswear (30%) (Srivastava, *this project*). Our fieldwork covered 34 enterprises within the so-called organised sector, i.e. factories and workshops with ten or more employees where labour regulations are supposed to be enforced. Our sample was stratified by size, markets (domestic/export) and regions within NCR. Management as well as workers from each enterprise were interviewed,

---

<sup>12</sup> See Mezzadri (2009) for a detailed study of the main garment clusters in India.

altogether 297 workers. We also sampled 70 ‘home workers’, see below (Mezzadri and Srivastava, *this project*). Statistical data from 2004-05 show that workshops and homeworkers made up a third of the industry (34%), in addition to which the industry also makes extensive use of homeworkers in regions outside Delhi (Mezzadri (2009, 2014)).<sup>13</sup>

It is well established that the garment chains in Delhi operate through a network of merchant and manufacturing firms and sub-contracting. Our qualitative fieldwork identified some new trends (Mezzadri, *this project*). The top layer of firms is growing and increasingly separating itself, by way of size and operational mode. For example, Public Limited buying houses, some linked to global corporate capital, have increased their presence. Medium and small buying houses have entered the domestic market, and actual garment manufacturing. Small manufacturers are either subcontractors for larger manufacturers/buying houses, or they produce garments for domestic chains of showrooms or export. The domestic market still works primarily according to a classic putting-out system logic, with intermediaries collecting from multiple suppliers.

The sampled factory workforce were nearly all male (83%) rural circular migrants (91%) from the poor northern states of UP and Bihar (90%). One large firm aims to feminise the workforce and employs almost only female workers. The workforce is young, with 71% less than 31 years old. Nearly all are first generation migrants, with an average migration period of 8.8 years. Fewer send remittances back home than was the case for construction workers (73% against 90%), but they send more (42% more), on average INR 33,625 per year. Their households back home have slightly better occupations than the construction workers’, with landowning farming households and regular wage work/ salaried work dominating (44%/ 36%).

Muslims and middle ranking ‘general’ castes were overrepresented among the workers and only 11% were from the lowest castes (*Dalits* and *Adivasis*). Eighty-eight per cent lived in own rented rooms, as opposed to at the workplace. They had poor facilities for water and sanitation and they shared the room with, on average, 5-8 other workers. Just like the construction workers, only 4% of the workers had official proof of residence or ration cards to buy government subsidised food or access government services and programmes.

Labour recruitment varied considerably from firm to firm, with agency labour making up from 10% to 90% of the workforce. All factories had at least a small directly-hired core workforce. Overall a third of the sampled workers were in triangular labour relations although it is likely that the self-reporting method used underestimates the numbers somewhat. Registered labour contractors are used by factories of all sizes and two firms used registered labour contractors as in-contractors, handing over to them the work of departments or the entire shop-floor on a piece rate basis. The workers were either paid directly by the

---

<sup>13</sup> See Srivastava (2014) for an outline of datasets, and calculations.

firm, or by the contractor. Unregistered labour contractors were common too, mainly in small firms. They may be internal to the firms (e.g., managers or supervisors acting as dummy labour contractors) or external. They were used to circumvent labour laws and social security responsibilities, or to deal with seasonal labour shortages.

This use of agency workers was inversely related to factory size, and producers for the domestic market were more likely than exporters to use labour contractors. Written contracts were extremely rare (1.7%). Those with no written contracts had no employment security. Nevertheless, just below half of the workers saw themselves as being in so-called 'regular employment', i.e., employment with no stated time limit and paid predominantly on a monthly basis. The other half were casual workers on daily or hourly rates and piece rates and in less durable employment. There were only minor differences across the firm categories. Agency workers were more likely to be on hourly or daily rates or piece rates than directly hired workers (42% versus 30%) and employed for fewer months (on average 8.5 versus 9.9) – but they earn about the same.

Working hours were long, about the same as in the construction sector. Fifty-one per cent work 10-12 hours daily and 15-16 hours in the peak season is common. Workshop workers work longer hours (average: 12.7 hours) than factory workers (9.3-9.7 hours). There was little difference between export and domestic market-oriented firms, or between employment types. The stipulated double overtime pay is paid in less than a quarter of the cases, and some (14%) receive no overtime pay at all. Overtime pay was most common among workers hired directly by the factory, and export industry workers. Most workers had a paid weekly day off, most common in large and medium sized factories, when hired directly by the factory. Workshop workers rarely were paid for their day off (16%). Paid sickness leave was relatively common only in large factories (46%) and when hired directly by the factory. Occupational health problems were common, especially in workshops while large export factories were the least bad.

Compared to the construction sector, enrolment in a social security scheme was more common, with around half of workers enrolled. These were predominantly in regular employment. Casual workers were less keen as they (rightly) were unsure if they could draw on it if needed.<sup>14</sup> Social security was absent in workshops and most common in export industries and medium to large factories. However, if we take the combination of enrolment in social security schemes, weekly paid holidays and more than one year of continuous employment as indicating that workers have some of the rights normally associated with formal employment relations, only 17% of the workers qualify – but that is still a good deal more than the under 2% who have written contracts. However, there was little economic advantage for workers with even these minimal rights. Employers who paid social security

---

<sup>14</sup> An important reason for this was that social security credit *de facto* (but not *de jure*) was not portable from job to job. Recent new rules may make portability more easy.

paid workers less than others did; it appears as if they recovered their social security costs by taking it out of the workers' pay!

The real wages for garment workers in India only increased by 1.3 per cent per year 2001-2011 and were calculated to be at 23% of what would be a 'living wage' (Workers Rights Consortium 2013: 9, 18). Wages in our sample were mainly close to but below the skills and area-specific minimum wages. The average take-home pay was INR 6709 per month; for tailors – a semi-skilled group of workers - it was INR 7478, i.e., for both groups more than unskilled but less than skilled construction workers. Women were paid less than men. Surprisingly maybe, workshops paid more than factories and domestic factories paid more than export factories. However, the workshops' total cost per worker was actually less than that of the factories, while costs per worker were similar for different types of factories. This is because cost per worker includes both wage and social security contributions. It was as if the factories deducted their social security costs from the workers' pay.

Workers across all types of units listed as their main problem 'low pay', 'long working hours' and, in most cases, 'irregular pay'. No workers were unionised and there was no union activity at the workplaces. The factory security guards actively discouraged this and workers who were known to be close to unions were dismissed; so almost half of the workers said they were 'apprehensive of the consequences' of unionisation. That said, a handful of workers (5%) said that unions had taken up their demands and around a third would be in favour of a workplace union. This was most prevalent in larger and medium sized factories, in export units and, maybe surprisingly, among workers hired through labour contractors and as casual labourers. In spite of the absence of unions, 30% of the workers said they had taken part in collective bargaining. However, the most common approach to dealing with problems was to appeal to the employer/contractor. Government labour inspections were rare or, in workshops, absent, and did not appear to have any impact, while CSR inspections by international buyers might be credited for the slightly better working conditions in large export units. CSR, however, takes no interest in pay and freedom to organise.

The 'peripheral' workers, i.e. workers outside the recognised factory sector made up a third of garment workers in the region in 2004-05 according to official figures. We sampled three categories identified by existing studies: own-account workers, i.e. self-employed workers working in family units in their own dwelling; workers in micro-units, here with less than five workers; and single workers working from their home, i.e., homeworkers. Non-factory settings are linked to specific production tasks, such as embroidery, and other ancillary activities like 'button holing', collar-stitching, and thread-cutting or knotting (Singh and Sapra, 2007; Mezzadri, 2008, 2014). Our study showed that different types of peripheral labour are linked to different markets. They all fulfilled flexible subcontracting roles. Micro-units appear to be the dominant form and work across both domestic and export markets, while own-account workers tend to engage primarily in domestic production and

homeworkers work primarily in export. There is also a gender division of labour and space: women did *sitara-moti* (or simple sequin work) and embroidery on the *adda* loom when done in homes, while all micro-unit activities were done by men. Caste, religion and age of workers were roughly as in the factory sector.<sup>15</sup>

Own account workers and workers in micro units were circular migrants, primarily from ancillary embroidery towns in Uttar Pradesh. They were recruited through kinship networks and contractors, with batches of migrants taking turns in the Delhi area. Their wages were in line with the organised sector, but they had significant spells of underemployment, compared to the factory sector. Homeworkers were longer-term women migrants. Their wages were extremely low, fluctuating seasonally around the INR 1000 per month mark. Only 16% of the peripheral households owned any land back in their home villages, and homeworkers' households had the least land, confirming that they are worst off. There was practically no access to social security and many (one third) of the male migrants lived in the contractor's work unit. Advance payments (around INR 4000) were common but the main tie-in to employers was through late payment of wages. While around a third of the workers were indebted, around two-thirds still managed to bring remittances home, especially from micro-unit work (average INR 15,365, i.e., less than half of the factory workers). Overall peripheral workers in micro units and self-employed workers were worse off than the factory sector workers, but female homeworkers were at the rock bottom.

To conclude, garment labour relations come in many shapes and sizes as producers subcontract out orders and use agency labour, directly employed informalised labour and a small group of somewhat formalised core workers. Female homeworkers stood out as having rock bottom pay and insecure access to work.

Just as in the construction sector, citizens' rights were absent for nearly all workers while the right to organise was dismissed by harsh workplace security apparatuses. However workers' lives after work were less controlled and collective bargaining did sometimes take place. As in construction, the workers were predominantly young male circular migrants, but they were from a slightly less deprived background. The pay was in the same bracket as that of construction workers while terms and conditions were better for many of them although others worked longer hours.

Within the garment sector the main difference was between female homeworkers and the rest, but there were also some differences in pay and conditions between different types of factories and workshops. The levels of triangular employment is one factor, as is the kind and degree of other informalised employment, with agency workers employed for somewhat less time per year than others, and with larger factories and export factories offering slightly more work and slightly better conditions than others, and with conditions and availability of work

---

<sup>15</sup> See also Mezzadri and Fan (forthcoming).

being worst in small workshops. Overall, with less than 2% on formal contracts and only 17% with some formalised conditions, the differences between triangular and direct employment are minimal for most.

### ***Garment labour in Shanghai: fieldwork***

China is the garment factory of the world. After the economic reforms of the late 1970s the industry was integrated into international garment commodity chains as Hong Kong and overseas Chinese capital in particular invested heavily in China (Butollo 2014, Lüthje et al. 2013: 253). It has continued its extraordinary growth and, by now, it has cornered more than a third of the world clothing export market, with its share still rising.<sup>16</sup> As the global financial crisis led to a fall in the world garments trade in 2009 (with pre-crisis levels recovered by 2011) the domestic market became more important while employment in the sector fell by 2.6% (2008-2010) (China Statistical Yearbook 2009-2012; see also Lüthje et al. 2013: 252).

The number of employees in the sector is disputed but one official figure is 21 million (2011) (Pun et.al. *this project*). China garment firms are large by international standards, but small in the industrial landscape in China. The top ten garment enterprises had on average 13,400 employees in 2009 (own calculations based on Lüthje et al. 2013: 256).

Garments is a low pay sector. Nevertheless, between 2004 and 2011 the average real wage of garment workers in China more than doubled (129.4%) to RMB 29026. In 2001 wages were lower than in India measured in USD (PPP) but by 2011 they were nearly twice as high (191%). Still, this is only 36% of what has been calculated as the 'living wage' in China (Workers Right Consortium 2013: 9, 11, 18).

In 2012 the three provinces of Greater Shanghai produced 30% of all pieces of clothing in China, against 20% in the original garment export hub of Guangdong, and the value of its garment output was more than twice that of Guangdong (Zhongguo Chanye Xunxiwang (2013), here from Pun et. al. (*this project*), and Butollo 2014: 245). In 2008-10 gross output value of garments in the Greater Shanghai Region increased by 25% and employment also increased somewhat (3%) (China Statistical Yearbook 2009, 2011).

China's industrial statistics only include enterprises of 'designated size' with annual outputs above 5 million RMB (US\$ 800,000). The number of smaller 'workshops' is not known (Butolli 2014). The average registered garment factory in the Shanghai Region has 310 employees (National Bureau of Statistics of China (2012) and China National Garment Association (2012), here from Pun et. al. (*this project*). Chinese, Hong Kong and foreign capital are involved. The overwhelming majority of factories are private but there are (still) a few state-owned firms in the sector. Our fieldwork covered 43 garment enterprises: trading

---

<sup>16</sup> Its share of global clothing export reached 37.8% in 2012. Only in 2008 did the share fall slightly (by 0.3 percentage point) (WTO 2013).

companies, factories and workshops. Managers from all enterprises and 357 workers were interviewed: 134 factory workers and 223 workshop workers. This is the first study to include workshops, hence the larger sample of this group.

All workshops were locally owned, as were two-thirds of the factories. Three factories were foreign-owned and 12 were joint ventures. Of the factories, 54% produced for export, 27% for the domestic market and 19% for both. Two of the factories employed more than 500 workers, around a third employed 100-499 and the rest less than 100. Nearly all workshops employed less than 50 people – which nevertheless means that they could be much bigger than workshops in India, which generally have under ten workers. The factories and workshops produced predominantly but not only womenswear.

Many of the factories felt under economic pressure in 2011 and 2012. We were told of closures but the factories we interviewed dealt with the pressure by developing the domestic mid to higher-end market, by technological upgrading, and by establishing manufacturing branches in nearby provinces where labour and land were cheaper; ten of the firms had done this. Our fieldwork as well as secondary data show that computer-aided design systems were common and that computer-aided manufacturing, e.g. automatic cutting machines, were being introduced (China National Garment Association, 2012, here from Pun et al., *this project*). However, as in India, stitching work – which was the main production activity – was still done on electrical sewing machines organised in standard production ‘lines’.

Export production in Shanghai was organized by Northern brands, sourced through trading companies or directly from large factories. Production for the domestic market was sourced by local brands. Trading companies and sourcing offices of larger brands tend to be located in Shanghai proper while manufacturing units have moved to the cheaper, further away parts of Greater Shanghai. Workshops were located in ‘urban villages’ in these areas.

The actual production was organised by large-scale manufacturers, sometimes owned by the brand. Such factories subcontract to locally-owned ‘second tier’ factories (mainly employing 50-100 workers), under which ‘third tier’ garment workshops or small registered firms are used when necessary. The workshops tended to use old machinery and simple production processes and produce mainly for domestic orders. At the bottom of the pile were homeworkers proper, working from home, with or without a few employees, to whom simple clothes production were outsourced, to be sold on the Chinese E-bay, Taobao Marketplace. They also did labour-intensive processes that cannot be mechanized such as trimming or knotting.

First and second tier factories maintained a stable core labour force but also hired in labour from labour contractors (*Baogongtou*) along the same principles as in the construction industry. Factories might also contract in temporary teams of workers to work inside the

factory (*Baogongdui*): some were led by a contractor but others were non-hierarchical teams of skilled workers who, jointly, have established local workshops. They were better paid than the ordinary workers and, according to factory managers, they drove a hard bargain.

Workers were overwhelmingly migrant labour but 15%-16% have local *hukou*. The biggest factories (500+ workers) relied most heavily on migrant labour (92%). The migrant labourers were primarily from nearby provinces, especially the neighbouring Anhui province.

The overarching controlling ‘dormitory regime’ (Pun and Smith 2007) also existed in Shanghai, with more than half of workers (59%) living in dormitories provided by their employers, but a sizable minority reside in rental flats (23%) or even own their own houses (19%). Nearly all (90%) dined in subsidised factory cafeterias or, in some workshops, were provided ingredients to cook.

The workforce differed significantly between workshops and factories. Factory workers were mainly young, low skilled women (75% women), working predominantly as seamstresses. The workshops employed more men than women (57% men). They were older, (often 40+ years old), and better skilled.

More than half of the factory workers had a copy of their signed contract (54%) and 98% of workers in the biggest factories had a copy. Only 11% of workshop workers had signed a contract. Contracts were mainly for fixed periods of one to two years so did not provide much job security. This meant that just above half of the factory workers in all but the smallest factories did have some statutory rights - but they were routinely breached by the majority of the employers. One core statutory right was the right to social insurance. However, of the various social insurances medical insurance had the highest level of coverage but still only reached 34% of factory workers. Thirteen per cent of workshop workers had medical insurance, but this included rural cooperative healthcare insurance introduced in some villages by local rural governments and not by the employers.

The terms and conditions of work were harsh and not in line with labour market regulations. The average daily working hours were 11.3 hours for factory workers and 13.2 for workshop workers, i.e., longer hours than in Delhi. Only 16% were paid overtime rates. On average they had only 2.5 days off each month. Unsurprisingly, occupational health problems were common.

The average pay for garment workers of the sample was RMB 2900 per month – just short of the average pay of unskilled construction workers.<sup>17</sup> This is well above the minimum wage but only 75% of the average worker’s wage in Shanghai proper (Ministry of Labour and Social Security 2012, here from Pun *this project*). The workshop workers were paid on

---

<sup>17</sup> This is in line with the official figures for Zhejiang and Shanghai.

average 300 RMB more per month and wages were more differentiated, with a large group of both better paid and low paid workers as well (39% paid below RMB 2000).

Workers felt that upward economic mobility was possible and also expected that the government and legal systems could protect their rights and interests (75+%). The factory workers in particular were overwhelmingly positive towards their employers and the work rewards and salary systems in place. The workshop sector was quite differentiated, with both egalitarian and hierarchically-organised workshops, and with differences within workshops. Workshop employment might be a means to escape the factory system for the mainly male, highly-skilled, well paid workshop workers, but for the group of poorly paid workers who worked longer hours in the workshops under worse conditions than their colleagues in the factories this was not the case; and the lower level of satisfaction that we registered in workshops is an indication of this.

Trade unions were part of the factories system but union leaders are part of or selected by the management and only 16% of the workers even thought that unions should protect workers' rights or undertake collective bargaining. Forty-three per cent of factory workers stated that they were members of unions while a full 29% did not know. For workshops, only 6% of the workers were unionised.

While the workplace trade unions did not defend workers' rights, regional-level trade unions might be more willing to support migrant workers' right, as shown by Wen (2011) for the Zhejiang Wenling area of Greater Shanghai (Pun et.al. *this project*). However, we did not come across any collective bargaining or strikes. China Labour Bulletin (n.d.) registered only six garment strikes in the Greater Shanghai Region in 2011-14, against 12 in Guangdong, and 21 in the construction sector in Shanghai.

Labour NGOs are also weak in Shanghai. We identified six such organisations in 2012. In comparison, 30-35 labour NGOs operated in the Pearl River Delta in 2008 (Pun et al., *this project*). There were many breaches of labour laws for the NGO to work on. Cases dealt with by one labour NGO included compensation of workers for factory closures, lower salaries than originally agreed, injury compensation, no employment contracts and no social insurance, wage arrears, dismissal with no reason, and dismissal due to refusal to work overtime. However, Shanghai labour NGOs were much less confrontational than labour NGOs elsewhere in China, and did not encourage strikes, rallies and demonstrations. Instead they sought to work within the law and build support from party and state officials for workers rights and to help workers develop their skills and careers. The tight political control in the region meant that nothing more was possible if they wanted to continue their work.

To conclude, as in the Delhi garment sector, Shanghai garment labour relations varied a great deal, comprising a core labour force with contracts, informalised directly employed labour,

agency workers and workers in subcontracted workshops. The overwhelming majority of workers had no local citizens' rights but some did have local *hokou*, and while agency workers were present, most workers were directly employed. More than half of the factory workers had contracts, especially in the largest factories, and thus formally had some labour rights, albeit they were not adhered to in practice, while few workshop workers had any formal rights at all. The dormitory control regime dominated but was far from all-encompassing. The formal freedom to organise was in practice limited to the factory management-directed union and labour NGOs were few and feeble due to the strong political control in Shanghai. The young, mainly female, factory workforce expressed contendedness and compared to the Delhi garment workers they, as other workers in China, had seen significant wage increases – even though they also worked longer hours than their Delhi colleagues. Compared to the Shanghai construction workers they worked longer hours and were paid a bit less and they had none of the labour struggle alertness expressed by the construction workers. Only in the diverse workshop sector had at least some of the skilled, mainly male, workers built themselves a strong bargaining position and engaged in collective bargaining.

## **Conclusion**

This paper has looked into labour relations and conditions in the two biggest sectors for circular migrant workers where pay and conditions are known to be poor. It has shown that labour in these sectors in both the Delhi region and the Shanghai region faced what we have termed a *triple absence*: the absence of formally recognised labour relations and formally recognised employers, the absence of the right to organise, and the absence of rights other than those directly concerning the labour relation.

As expected, labour subcontractors and the resultant 'triangular trap' played a major role in this, but so did other types of informalised labour relations. There were also different degrees of absences and in a mix of *de jure* and *de facto* absences, not always related straightforwardly to the presence of triangular labour relations. The construction workers in Shanghai were all agency workers but, nevertheless, did not face a complete triple absence of rights. Many young, educated and skilled workers were in a sufficiently strong bargaining position to get labour contracts from their labour contractors. And in spite of the absence of formal rights to organise due to the absence of labour contracts, for most this was also the group which was most ready to take collective action. In spite of the absence of recognised labour relations they were also able to sometimes make use of government labour protection systems and some of them did have some access to social security. The Delhi construction workers, on the other hand, faced a complete *de jure* triple absence and had none of the *de facto* mitigating rights or collective bargaining and strike experiences of their Chinese colleagues. The fact that a (small) section of them were not agency workers did not bring more *de facto* rights. The garment sector labour relations were even more complex, with the

presence of both a core labour force with some rights and a mix of agency workers and other informalised workers. There were some relatively minor variations in conditions and pay and the employment of agency workers played a role in this. In Shanghai in particular, formally recognised labour relations and formally recognised employers were not uncommon, but this did not bring with it the *de facto* right and ability to proper collective bargaining, actions or unionisation independent of the management controlled union. Opposed to this, the very mixed Shanghai garment workshop sector, with comparatively low unionisation, did hold a promise for more bargaining power and better income for skilled, mainly male, workers but not for other workshop workers. In the Delhi garment sector formalisation was much less and the right to organise was *de facto* wholly absent.

Nevertheless, and in spite of such variations, the overall conclusion regarding the impact of triangular labour relations is that they do help in keeping workers rights at bay; but so do other means of informalisation. The detailed study from the Delhi garment sector shows that agency workers are cheaper and may have to work harder than other informalised workers. Our data from Shanghai highlights that the extent to which labour is in possession of a contract serves as a means to divide and rule. However, one should not get too focussed on what are essentially the formalities of the employment relation. The Shanghai construction worker case shows that labour can overcome such limitations and take collective action irrespective of the *de jure* context.

It is also clear that the particulars of a sector influence labour relations: there are obvious sector-specific trends across the two countries. In the construction sector, the impermanent character of the worksite and the significant variation in workforce size and composition required by individual construction companies over time facilitates the use of agency workers as it works against the forging of strong labour solidarities. In the garment sector, in spite of the differences in size of the sectors and of individual factories and workshops in the two countries, the Delhi and Shanghai contexts are both characterised by subcontracting of production arrangements and the use of a range of labour relations, including agency workers and other types of informalised relations. This mixture serves to segment labour, although not to keep collective labour activities fully under swap in all segments.

The differences in national conditions also have a clear impact on labour relations and conditions. It is well known that wages have increased much faster in China than in India since the turn of the century, and wages in our two sectors reflect this. We have also shown that the willingness to take collective action and engage in collective bargaining is higher in Shanghai, especially in the construction sector but also among some sections of skilled garment workers. This is in line with the general context of labour market tightening, increased labour struggles and the mixture of oppression and legitimising action by the Chinese government. Apart from the oppression, these developments are absent in India.

It is also noticeable that the ability to take action is weakest in our cases from India, with its liberal democracy and its formal protection by law of labour rights and freedoms. It is also noticeable that social security is near absent here. The circular migrant workers are in no position to put pressure on elected governments. In fact, they can only vote back in their home villages so have no electoral power where they work. Agarwala's (2013) praise of a citizens' right electoral strategy for informalised workers, is not concerned with migrant workers at all, so is of limited value for this huge section of informalised workers.<sup>18</sup> The absence of local citizens' rights for migrant workers in both India and China is a problem for the workers in its own right and it also makes it harder for them to fight for more formal rights, although not impossible. State and private sector oppression goes hand in hand in our cases.

In our view, there is no general, abstract relation (direct or inverse) between democracy and labour rights. What matters is the constellation of classes, including the interests and strength of the class based coalitions in power and of the labouring classes. In China, it has long been argued that the regime gains its legitimacy to rule from its claim to being a workers' party and this makes it much more sensitive to workers' demands and action, be they formally legal or not. In India there is no such pretence and while the liberal democratic set-up requires that rights be enshrined in law, there is little need for the ruling class constellation to enforce any pro-labour laws. The Indian regime gains its legitimacy primarily from delivering growth and only very much secondarily from poverty reduction - and this only as long as poverty reduction does not go against the interests of the dominant classes. Pro-labour initiatives are not on the agenda. A proper investigation of the different national regimes is not possible within the confines of this paper but in our view is as important as sector-specific issues if one is to explain why labour relations differ between countries and sectors today.

Agarwala, Rina, 2013, *Informal Labor, Formal Politics, and Dignified Discontent in India*. Cambridge: Cambridge University Press.

Bair, Jennifer and Marion Werner, 2015, 'Global Production and Uneven Development: When Bringing Labour in isn't Enough', in Newsome, Kirsten, Phil Taylor, Jennifer Bair and Al Rainnie (eds), *Putting Labour in its Place*, London: Palgrave, pp. 119-34.

Beijing Xingzai Renjian Culture and Development Center, 2012, *Occupational Security and Protection of Migrant Construction Workers*. Research Report [in Chinese].

---

<sup>18</sup> It is also based primarily on events in a state in India which has a unique tradition of populist social policies and where the progress of the construction workers also might be due to caste specific politics as they were led by a politically powerful caste, something which is not the case in most parts of India.

Branson, Adam, 2013, *Global Construction 2025*, 3 July 2013 Building.co.uk, <http://www.building.co.uk/global-construction-2025/5057217.article>

Buck, Daniel, 2007, 'The Subsumption of Space and the Spatiality of Subsumption: Primitive Accumulation and the Transition to Capitalism in Shanghai, China', *Antipode* 39(4): 757-774.

Butollo, Florian, 2014: *The End of Cheap Labour? Industrial Transformation and "Social Upgrading" in China*. Frankfurt/New York: Campus Verlag. 400pp.

Cartier, Michel, 2011, 'Thirty Years of Economics Reform and Workforce Transformation in China', *China Perspectives* 2011(2): 27-33.

Chan, Chris King-Chi, 2014, 'Constrained Labour Agency and the Changing Regulatory Regime in China', *Development and Change* 45(1): 685-709.

Chan, Chris King-Chi, 2010, *The Challenge of Labour in China: Strikes and the Changing Labour Regime in Global factories*. Abingdon and New York: Routledge.

Chan, Chris King-Chi and Pun Ngai, 2009, 'The Making of a New Working Class? A Study of Collective Actions of Migrant Workers in South China', *China Quarterly* 198: 287-303.

Chan, Chris King-Chi, Pun Ngai and Jenny Chan, 2010, 'The Role of the State, Labour Policy and Migrant Workers' Struggles in Globalized China', *Global Labour Journal* 1(1): 132-151.

Chan, Man-Kwun, 2013. *Contract Labour in Global Garment Supply Chains*. Report for WIEGO.  
[http://wiego.org/sites/wiego.org/files/publications/files/Chan\\_Contract\\_Labour\\_Report\\_final\\_2013.pdf](http://wiego.org/sites/wiego.org/files/publications/files/Chan_Contract_Labour_Report_final_2013.pdf)

Chang 2014 *this project*. *Title of paper*. *URL*.?

Chang, D., 2008, *Global construction and Asian workers*. Building and Wood Workers International Asia Pacific, Asia Monitor Resource Centre, Hong Kong: BWI and AMRC

Chen, Yu and Caroline Hoy, 2008, 'Rural Migrants, Urban Migrants and Local Workers in Shanghai: Segmented or Competitive Labour Markets?', *Built Environment* 34(4): 499-516.

Chen, Xiangming, 2007, 'A Tale of Two Regions in China. Rapid Economic Development and Slow Industrial Upgrading in the Pearl River and the Yangtze River Deltas', *International Journal of Comparative Sociology*, 48(2–3): 167–201.

China Briefing 2013: A Complete Guide to China's Minimum Wage Levels by Province, City, and District, 28/01/2013. <http://www.china-briefing.com/news/2013/01/28/a-complete-guide-to-chinas-minimum-wage-levels-by-province-city-and-district.html#sthash.pqoklSVc.dpuf>

China Labour Bulletin 2013: *Wages in China*. 10 June, 2013. <http://www.clb.org.hk/en/content/wages-china>.

China Labour Bulletin n.d: CBL Collective Labour Incidents Map. <http://www.numble.com/PHP/mysql/clbmape.html>

China National Garment Association, 2012, *Zhongguo Fuzhunag Hangye Fazhan Baogao* (China Garment Industry Development Report, 2011-2012). Beijing: China Textile & Apparel Press.

China Statistical Yearbook, various years 2009-2012 <http://www.stats.gov.cn/tjsj/nds/>

Clarke, Linda and Georg Herrmann, 2004. Cost vs. production: disparities in social housing construction in Britain and Germany, *Construction Management and Economics*, 22, 521–32.

Dalmia, Aaradhana J., 2012, 'Strong Women, Weak Bodies, Muted Voices. Women Construction Workers in Delhi', *Economic and Political Weekly* 47 (26&27): 249-55.

Friedman, Eli, 2014, 'Alienated Politics: Labour Insurgency and the Paternalistic State in China', *Development and Change* 45(5): 1001-18.

GurgaonWorkersNews 2015, 'Struggles 'Made in India' – On the series of factory riots, occupations and (wildcat) strikes in Delhi's industrial south, 2014'. 64 [forthcoming] <https://libcom.org/blog/struggles-%E2%80%98make-india%E2%80%99-%E2%80%93-series-factory-riots-occupations-wildcat-strikes-delhi%E2%80%99s-industria>

GurgaonWorkersNews, 2013, *Workers News from the Special Exploitation Zone Content List of Published Newsletters – Last Update: January 2013*. <https://gurgaonworkersnews.wordpress.com/content-list-of-published-newsletters/#fn4>

Harvey, Mark and Felix Behling, 2008, *The evasion economy. False self-employment in the UK construction industry*. A UCATT report. <http://ucatt.info.co.uk/files/publications/UCATT%20Report%20Evasion%20Economy.pdf>

Hui, Elaine Sio-Ieng and Chris King-Chi Chan, 2011, 'The "Harmonious Society" as a Hegemonic Project: Labour Conflicts and Changing Labour Policies in China', *Labour, Capital and Society* 44(2), 154-183.

HKTDC Research, 2013, *China Trade: Yangtze River Delta: Profile*. 10 January 2013. <http://china-trade-research.hktdc.com/business-news/article/Fast-Facts/Yangtze-River-Delta-Profile/ff/en/1/1X000000/1X06BW0C.htm>

HKTDC Research, 2014, *China Trade: PRD Economic Profile*. 25 March 2014. <http://china-trade-research.hktdc.com/business-news/article/Fast-Facts/PRD-Economic-Profile/ff/en/1/1X000000/1X06BW84.htm>

ILO, 2015, *R204 - Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204)*.  
[http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:R204](http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R204)

ILO, 2001, *The Construction Industry in the Twenty-First Century: its Image, Employment Prospects and Skill Requirements*. Geneva: ILO.  
<http://www.ilo.org/public/english/standards/relm/gb/docs/gb283/pdf/tmcitr.pdf>

Institute for Human Development, 2014, *India Labour and Employment Report 2014*. New Delhi: Academic Foundation and Institute for Human Development.

Kannan, K.P. and Jan Breman (eds), 2013, 'The Long Road to Social Security Assessing the Implementation of National Social Security Initiatives for the Working Poor in India'. New Delhi: Oxford University Press.

Lee, Ching Kwan, 2007, *Against the Law – Labor protest in China's rustbelt and sunbelt*. Berkeley: University of California Press.

Lin, Kevin, 2015, 'Recomposing Chinese Migrant and State-Sector Workers', in Anita Chan (ed), *Chinese Workers in Comparative Perspective*. Ithaca and London: Cornell University Press, pp. 69-84.

Lund-Thomsen, Peter, Khalid Nadvi, Anita Chan, Navjote Khara and Hong Xue, 2012, 'Labour in Global Value Chains: Work Conditions in Football Manufacturing in China, India and Pakistan', *Development and Change* 43(6): 1211–1237.

Lüthje, Boy, Siqi Luo and Hao Zhang, 2013, *Beyond the Iron Rice Bowl. Regimes of Production and Industrial relations in China*. Frankfurt/New York: Campus Verlag. 354 pp.

Mezzadri, Alessandra, this project a: 'Labour regimes in the garment sector in India: Global, national, & local conditions of competition & capital dynamics'. In Alessandra Mezzadri and Ravi Srivastava, *Labour regimes in the Indian garment sector: capital-labour relations, social reproduction and labour standards in the National Capital Region (NCR)*. Project report.

Mezzadri, Alessandra, this project b: 'Labour regimes in the garment sector in India: Home-based labour, peripheral labour. In Alessandra Mezzadri and Ravi Srivastava, *Labour regimes in the Indian garment sector: capital-labour relations, social reproduction and labour standards in the National Capital Region (NCR)*. Project report.

Mezzadri, Alessandra and Lulu Fan, (forthcoming), 'Structural vulnerability and power at the 'margins' of the garment sweatshop: India and China compared'. *Mimeo*.

Mezzadri, Alessandra, 2014, 'Backshoring, Local Sweatshop Regimes and CSR in India', *Competition and Change* 18(4): 327–44.

Mezzadri, Alessandra, 2009, *The Architecture of Production and Labour Control in the Indian Garment Industry*. Dissertation, SOAS, University of London.

Mezzadri, Alessandra, 2008, 'The Rise of Neoliberal Globalisation and the "New Old" Social Regulation of Labour: The Case of Delhi Garment Sector', *Indian Journal of Labour Economics* 51(4): 603–618.

Ministry of Labor and Social Security, PRC (2012). *Zhongguo Laodong Tongji Nianjian* (China Labor Statistical Year Book 2012). Beijing: China Statistics Press.

NCEUS 2009, *The Challenge of Employment in India. An Informal Economy Perspective*. New Delhi: National Commission For Enterprises In The Unorganised Sector.

Nguyen, Thao, 2013, 'Governing through *Shequ*/Community: The Shanghai Example', *International Journal of China Studies* 4 (2): 213-231.

Olson, Wendy and R.V. Ramana Murthy, 2000, 'Contract Labour and Bondage in Andhra Pradesh (India)', *Journal of Social and Political Thought*, 1(2).

Parry, Jonathan, 2014. Sex, Bricks and Mortar: Constructing Class in central India Steel Town. *Modern Asian Studies* 48 (5): 1242-75.

Picherit, David. (2009) “Workers, trust us!” Labour middlemen and the rise of the lowercastes in Andhra Pradesh’, in J. Breman, I. Guerin and A. Prakash (eds) *India’s Unfree Workforce: Of Bondage Old and New*, New Delhi: Oxford University Press.

Pun, Ngai, Lu Aiyu and Lu Huilin, 2014, [*This project*], *Labor Conditions and the Working Poor in China and India. The China Team’s Final Report*. Mimeo.

Pun, Ngai and Chris Smith 2007, ‘Putting transnational labour process in its place: the dormitory labour regime in post-socialist China’, *Work Employment Society* 21(1): 27–45.

Pun, Ngia and Xu Yi, 2011, ‘Legal Activism or Class Action? The political economy of the “no boss” and “no labour relationship” in China’s construction industry’, *China Perspectives* 2011(2): 9-17.

Pun, Ngai and Lu Huilin, 2010a, ‘Unfinished Proletarianization: Self, Anger, and Class Action among the Second Generation of Peasant-Workers in Present-Day China’, *Modern China* 36(5): 493–519.

Pun, Ngai and Lu Huilin, 2010b, ‘A Culture Of Violence: The Labor Subcontracting System And Collective Action By Construction Workers In Post-Socialist China’, *The China Journal* 64: 143-58.

Raveendran, G. and K P Kannan, 2011, ‘India’s Common People: The Regional Profile’, *Economic and Political Weekly* 44(38): 60-73.

Riskin, Carl, 2014, ‘China: Development, Inequality and Imbalance, in Davin, Delia and Harriss-White, Barbara (eds), *China-India. Pathways of economic and social development*. Proceedings of the British Academy 193. Oxford: Oxford University Press, pp. 27-45.

Selwyn, Ben, 2012, *Workers, State and Development in Brazil: Powers of Labour, Chains of Value*. Manchester: Manchester University Press.

Selwyn, Benjamin and Satoshi Miyamura, 2014, Class Struggle or Embedded Markets? Marx, Polanyi and the Meanings and Possibilities of Social Transformation, *New Political Economy* 19 (5): 639-61.

Sen, Kunal, 2014, ‘The Indian Economy in the Post-Reform Period: growth without Structural Transformation’, in Davin, Delia and Harriss-White, Barbara (eds), *China-India. Pathways of economic and social development*. Proceedings of the British Academy 193. Oxford: Oxford University Press, pp. 47-61.

Singh, N. and M. Kaur Sapra, 2007, 'Liberalisation in Trade and Finance: India's Garment Sector', in B. Harriss-White B. and A. Sinha (eds) *Trade Liberalisation and India's Informal Economy*, pp. 42–127. New Delhi: Oxford University Press.

Sunder, K.R. Shyam, 2012, 'Counter-tendencies to Labour Flexibility Regime in India: achieving decent work for non-regular workers', *Indian Journal of Labour Economics*, 55(4): 551-72.

Sunder, K.R. Shyam, 2011, 'Employment Relations in India in the Post-reform Period: Positives, Challenges and Opportunities', *Indian Journal of Labour Economics*, 54(1): 89-111.

Suresh, T.G., 2010, 'Contract Labour in Urban Constructions: the making of new labour regimes in India and China', *China Report* 46(4): 431-54.

Srivastava, this project a, 'Capital-Labour Relationships in Formal Sector Garment Manufacturing in the Delhi National Capital Region of India', in Alessandra Mezzadri and Ravi Srivastava, *Labour regimes in the Indian garment sector: capital-labour relations, social reproduction and labour standards in the National Capital Region (NCR)*. Project report.

Srivastava, this project b. *Capital and Labour Standards in the Organised Construction Industry in India: A Study Based on Fieldwork in the National Capital Region of Delhi*. Project report. Mimeo.

Srivastava, Ravi, 2012, 'Changing Employment Conditions of the Indian Workforce and Implications for Decent Work', *Global Labour Journal* 3(1): 63–90.

Srivastava, Ravi, 2011, 'Labour Migration in India: Recent Trends, Patterns and Policy Issues', *Indian Journal of Labour Economics* 54 (3):411-40.

Standing, Goy, 2014, 'Understanding the Precariat through Labour and Work', *Development and Change* 45(5): 963–980.

Statista, n.d.a, *Statistics and facts about Migrant Workers in China*.  
<http://www.statista.com/topics/1540/migrant-workers-in-china/>

Statista, n.d.b, *Number of employed people in China from 2003 to 2013 (in millions)*,  
<http://www.statista.com/statistics/251380/number-of-employed-persons-in-china/>

Swider, Sarah, 2015, 'Building China: precarious employment among migrant construction workers', *Work, employment and society* 29(1): 41–59.

Thornton, Patricia M., 2013, 'The Advance of the Party: Transformation or Takeover of Urban Grassroots Society?', *China Quarterly*, 213: 1-18.

United States Department of Labor, 2013, *International comparisons. India's organised manufacturing sector*. Bureau of Statistics, 28 August 2013.  
<http://www.bls.gov/fls/india.htm#Chart01>

van der Loop, Theo, 1996, *Industrial Dynamics and Fragmented Labour Markets. Construction firms and labourers in India*. New Delhi: Sage Publications, 452 pp.

Vijayabaskar, M. and J. Jeyaranjan, 2011, 'The Institutional Milieu of Skill Formation: a comparative study of two textile regions in India and China', in Ohara, Moriki, M. Vijayabaskar and Hong Lin, *Industrial Dynamics in China and India. Firms, clusters, and different growth paths*. Basingstoke: Palgrave Macmillan, pp. 135-57.

Wen, Xiaoyi, (2011, 'Jititanpan de Neibu Guojia Jizhi: Yi Wenling Yangmaoshan Hangye Gongjia Jiti Tanpan' [The Internal State Mechanism in Collective Bargaining: Evidence from the Collective Bargaining by Wenling Sweater Industry], *Society*, 31, 112-130.

Workers Rights Consortium 2013, *Global Wage Trends for Apparel Workers, 2001–2011*.  
<https://www.americanprogress.org/wp-content/uploads/2013/07/RealWageStudy-3.pdf>

World Bank, n.d.a., *Development Indicators*.  
<http://data.worldbank.org/data-catalog/world-development-indicators>

World Bank, n.d. b., *Poverty data*. <http://povertydata.worldbank.org/poverty/country/CHN>

WTO, 2013, *International Trade Statistics*.  
[http://www.wto.org/english/res\\_e/statis\\_e/its2013\\_e/its13\\_merch\\_trade\\_product\\_e.pdf](http://www.wto.org/english/res_e/statis_e/its2013_e/its13_merch_trade_product_e.pdf)

Zhang, Yu, 2013, 'Hacking at the Hukou', *Global Times* 17.03.2013.  
<http://www.globaltimes.cn/content/796880.shtml>

Zhao, Litao & Courtney Fu Rong 2010, 'China's Hukou Reform: The Guangdong And Shanghai Cases' *EAI Background Brief* 551. <http://www.eai.nus.edu.sg/BB551.pdf>

Zipp, Daniel Y. and Marc Blecher, 2015, 'Migrants and Mobilization: Sectoral Patterns in China, 2010-2013', *Global Labour Journal* 6(1): 116-26.

Zhongguo Chanye Xunxiwang (2013). *2012 Nian 1-12 Yue Zhongguo Fuzhung Chanliang Fenshengshi Fenxi* (Total Number of Garment Pieces Produced in China between Jan and Dec 2012). <http://data.chyxx.com/201301/193517.html>