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ILO Office, Beijing April 2006 This illustration was posted on the CSR Asia website (<u>http://www.csr-asia.com</u>) by Stephen Frost. It features on a card that is being distributed to migrant workers by the government of Anhui Province. Entitled *Workers going into cities – What you need to know*, it offers the following key messages to help migrant labourers make informed decisions:

Bring with you:

- Identity Card
- Marriage Certificate
- Education Certificate
- Recent health examination results

What to look for in your contract?

- Duration of appointment
- Duties
- Employee Insurance
- Hours of work and holidays
- Salary
- Welfare benefits
- Requirements for termination of service
- Terms on contract violations

Choosing a recruitment agency:

- Is it legal or not?
- Does it have the following documents?
 Recruitment agency certification
 - Tax register certification
 - Fee payment certification
 - Business registration

Fees which workers should reject paying:

- Staying fee
- Staying management fee
- Family planning fee
- Labour adjustment fee
- Migrant workers management fee

Internal Labour Migration in China: Features and Responses

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Introduction

The substantial structural transformation of China's economy has contributed to the world's largest ever peacetime flow of migration. The number of rural migrants seeking employment in the country's urban centers has risen from just two million in the mid-1980s¹ to as many as 150 million today.^{*} Because of the far-reaching implications of such a large transient population, labour migration is one of the most complex and pressing issues facing China today.

Accounting for an estimated 16% of national GDP growth over the last two decades, the significant economic contribution of internal labour migration is essential to the country's sending and receiving provinces.² As well as fulfilling industry needs, the migration cycle is at the core of poverty alleviation and rural development strategies. Besides these evident benefits, the social and moral issues surrounding labour migration must also be considered. As in other developing countries where low labour costs are a comparative advantage, the line between employment and exploitation is often blurred. Tens of millions of China's rural labour migratis have been 'instrumentalized' to fuel urban and rural development, suffering as second-class citizens and enduring informal employment without rights, social protection and access to social services.

Though their plight was overlooked for many years, improving conditions for migrant workers has now been promoted to the top of the national agenda, following the Central Government's prioritization of 'people-centered' and 'balanced' development. Protective legislation and support services have gradually been extended to them and the Chinese leadership maintains that further reforms will take place in line with the country's socio-economic development. However, the sheer scale of migration presents considerable financial and institutional obstacles, and maximizing the benefits of labour migration while mitigating the negative aspects continues to be a difficult balancing act.

Rather than an exhaustive and lengthy examination of labour migration in China, this descriptive analysis offers the brevity, clarity and the most recent data available to depict a rapidly changing environment, in terms of both policy and on-the-ground realities. Part 1 highlights some of the features of migrant workers and the migration process, Part 2 considers governmental and non-governmental policy and programme responses to the phenomenon, and Part 3 specifically looks at the role the International Labour Organization plays in supporting migrants' transition into decent work in China's towns and cities.

¹ Huang Ping, and Pieke, F. (2003) *China Migration Country Study*, Regional Conference on Migration, Development and Pro-Poor Policies in Asia held in Dhaka, Bangladesh: 6.

^{*} As explained below in section 1.2, the complexity of estimating and comparing migrant figures means that findings can vary significantly.

² Huang Ping and Zhan Shaohua, (2005) *Internal Migration in China: Linking it to Development*, Conference on Migration and Development in Asia held in Lanzhou, China: 6.

Part 1. Migrant Trends, Profiles and Features

The following findings identify some of the features of labour migration as well as the demographic, migratory and employment characteristics of China's migrant workers. Though there are significant challenges to obtaining accurate and up-to-date statistics on the migrant population, profiling and analyzing such trends can assist policy-makers in the design of more appropriate initiatives to support their transition into urban areas, as well as urban and rural development strategies.

1.1. Causes of Labour Migration

China's massive labour migrant population is a result of a number of significant national policies. The processes of industrialization, marketization, urbanization and *hukou* liberalization have triggered the classic 'push' and 'pull' factors.

For nearly five decades, China's unique *hukou* system of resident registration has restricted the movement of the population. Migration remained minimal and a highly controlled process up until the economic reforms of the mid-1980s, when high investment and rapid urbanization created a demand for cheap, low-skilled workers in labour-intensive industries.³ For over twenty years, the massive surplus workforce of rural China - where there is still an unemployment and underemployment rate of over 30% - has been able to fulfill this need.⁴ In order to match this supply and demand, and also to level regional socio-economic imbalances, the Government has implemented ongoing *hukou* reforms to facilitate mobility. The present quasi-freedom of movement allows the rural population to migrate with relative ease (see section 2.2.).

Though the job opportunities and favorable wage-differential offered in urban areas are key driving forces, economic gain is not the only incentive behind migrating. These trends can be distinguished along demographic lines: younger migrants tend to be more influenced by "pull" factors, such as 'expected earning opportunities', 'personal development aspirations' and 'urban lifestyle'; whereas older migrants are driven more by "push" factors including 'land shortage' or 'difficult living conditions'. ⁵ Rural women, who often face particularly difficult circumstances, are also more likely to cite 'push' factors as influential in their decision to migrate.⁶

1.2. Scale of Migration

Because of the challenges in collecting data, there is rarely consensus on the actual scale of China's internal migration. For example, the definition of 'migrant' can vary according to destination (rural-rural, urban-urban, rural-urban *and* intra-provincial or inter-

 ³ Zhao Yaohui (2000) *Rural to Urban Labor Migration in China: The Past and the Present*: 2.
 ⁴ International Labour Organization, ILO China Website

<http://www.ilo.org/public/english/region/asro/beijing/inchina.htm>

⁵ Yan Hao (2005) *Rural Youth Migration and its Implication for Family Planning and Reproductive Health in China*, International Population Conference held in Tours, France: 3.

⁶ Cited in Sutherland, D. (2005) *HIV/AIDS in China: Applying the Scientific Concept of Development,* Xiamen International Conference on the Scientific Concept of Development, July 2005: 22

provincial); length of stay (seasonal, temporary and permanent); and legal status.⁷ Moreover, obtaining a precise representation of the scale of migration is further complicated by its clandestine nature: only an estimated 40% of migrants obtain either a temporary or permanent resident permit. The remainder, who have lived without local authorization for at least six months, are known as the 'floating population' and migrate, reside and work through informal and unregulated channels.⁸ Thirdly, migrant populations can rise and fall dramatically as a result of various central and local government policies.

According to the 2000 census, the most comprehensive data on migrants and migratory patterns available to date, 131 million people – one-tenth of the population – were residing outside their places of household registration.⁹ * Other studies from the National Bureau of Statistics (NBS), the Ministry of Agriculture and the Ministry of Labour and Social Security (MoLSS) have put the number of rural migrants at approximately 120 million, of which 100 million migrate to urban areas. Most recently, a report published by the Chinese Academy of Social Sciences adjusted this estimate to 150 million.¹⁰

Despite the difficulties in attaining a widely accepted figure, it is believed that the number of migrant labourers will rise in the coming years. The shrinking agricultural sector and expanding industrial and service sectors will compel many of the 150-180 million surplus rural workers, and many of rural labour force's six million annual new entrants, to find employment in urban areas.¹¹ Based on a 1% annual growth rate in urbanization, China's towns and cities will absorb about 300 million people from rural areas in the next 20 years – the current 1.4% urbanization rate means that about 20 million farmers become urban residents each year.¹²

1.3. Migrant Profile

Despite the inconclusiveness of the available data, some common characteristics and trends can be drawn about China's migrant labour force.

⁷ Deshingkar, P. (2005) *Maximizing the Benefits of Internal Migration for Development,* Conference on Migration and Development in Asia held in Lanzhou, China: 14.

⁸ MoLSS 2003 data cited in *Balancing Development to Achieve an All-Round Xiaokang and Harmonious Society in China*, the United Nations Common Country Assessment 2004: 28.

⁹ Boyd, M. (2005) *Migrant Labour Mechanisms: The Down and Dirty*, China Economic Quarterly, Q3 2005: 29.

^{*} Includes all long-term (six months or more) forms of migration: rural-urban, rural-rural, urban-urban and urban-rural.

¹⁰ Tang Jun (2005) *Selections from Report on Poverty and Anti-Poverty in Urban China*, Chinese Sociology and Anthropology, Winter-Spring 2005, Chinese Academy of Social Sciences.

¹¹ 'China to train 35 million rural workers in 7 years', *People's Daily Online*, April 7, 2004 cited in Asian Labour News http://www.asianlabour.org/archives/2004_04.php.

¹² Liu He, vice-minister of the Office of the Central Leading Group of Financial and Economic Affairs cited in 'Cities expected to absorb 300m farmers', *China Daily*, March 21, 2006 <<u>http://english.gov.cn/2006-03/21/content_231962.htm</u>>

Demographic Profile

China's rural migrant labour force is generally young, with over 71% between the ages 15 and 29.¹³ Despite their age, marriage and parenthood do not significantly lessen the likelihood of migration, as demonstrated by the 23 million children "left behind" with relatives in the rural areas.¹⁴ The ratio of families that migrate together is low, but increasing as improved social services, particularly children's education and housing, are available to more migrants.

In 2003, of the 106 million people registered outside of their native community, 51% were male and 49% were female; indicating a substantial increase from the often-cited proportion of one-third.¹⁵ This feminization of migration is attributed to the demand for young women in particular industries, such as manufacturing, where they are considered cheaper and easier to manage than men.¹⁶ Culturally, there is also a growing acceptance for young women to travel alone in order to contribute to household earnings.

Education and Skills

Migration is largely influenced by human capital endowments. If ranked according to educational levels, non-migrants with non-agricultural employment would be at the top, followed by inter-provincial migrants, intra-provincial migrants and finally non-migrant farmers at the bottom.¹⁷ Most migrants have a junior high school diploma, obtained after completing the nine years of compulsory education, and 18% have received skills training¹⁸, compared with only 9.1% of all rural labourers.¹⁹ Though they may be more educated and skilled than much of the rural population, on average, migrants have far less human capital than the urban workforce.

Destinations

Migration patterns are largely determined by seasonal, macro-economic and policy cycles.²⁰ Typically, the flow is from the less economically developed western and central provinces to the more developed eastern provinces. Migration to the large cities continues to grow, and the four provinces of Guangdong, Zhejiang, Fujian, Jiangsu and the cities of Beijing and Shanghai absorb nearly 80% of all migrants. Nevertheless, patterns of migration are becoming increasingly diverse at the same time.²¹

¹³ Yan Hao: 4.

¹⁴ Advancing Social Development in China: Contribution to the 11th Five-Year Plan, UN Country Team Occasional Paper Vol. 1, October 2005: 16.

¹⁵ State Statistical Yearbook, 2004

¹⁶ Pearson, E. (2005) Safe Migration in China: Protecting Girls and Young Women to Prevent Trafficking – A Discussion Paper', ILO CP-TING Project: 6.

¹⁷ Roberts, K. (2001) *The Determinants of Job Choice by Rural Labour Migrants in Shanghai*, China Economic Review, 12:1: 17.

¹⁸ *Globalisation and Decent Work – An Employment Agenda for China* < http://www-ilomirror.cornell.edu/public/english/chinaforum/download/backgp.pdf >

¹⁹ Tai Wei, 'Employing all-round tactics', *Beijing Review*, Vol. 47, No. 11, March 18, 2004. p.22.

²⁰ Wan Guanghua, Cai Fang, Wan Dewen (2005) *Estimating Flows of Migrants in China and Policy Implications*, UNU-WIDER : 6.

²¹ Deshingkar: 8.

The appeal of working in the aforementioned destinations is beginning to wane due to the financial and psychological considerations of relative costs and benefits. The Government's 'Go West' initiative, based on tax breaks for investors, is actively promoting new economic growth centers around the country. Many of these urban centers, which tend to be more welcoming of intra-provincial migrants, can offer them employment opportunities, a lower cost of living, access to social services, proximity to native communities, and greater social integration.

But there is some disagreement regarding the extent to which migration is localized. Of the total 131 million migrants identified in the 2000 census, 56.3% migrated across counties or county-level cities, 42.7% migrated across prefectures or prefecture-level cities, and 26.4% migrated across provincial boundaries. More recent statistics suggest that the proportion of inter-provincial migrants has risen to as much as 75%² It could be that this data is skewed by the fact that the short-term or seasonal nature of intraprovincial migration means those migrants are less likely than inter-provincial to register.

Return Migration

Given the uncertainty surrounding out-migration data, it is perhaps unsurprising that the figures on return migration are even less concrete. Presently, the average migration period is approximately six years for men and four years for women, but this period is becoming longer. Due to the wage differential between urban and agricultural economies, "seasonal pushes have now been superseded by all-year pulls in many locations" - and naturally, the time spent in urban areas directly correlates to the likelihood of return.²³

There is a saying that "there is nothing more permanent than temporary migration". One of the few studies conducted on the issue showed that of all those who migrated in the decade preceding 1998, the majority had settled or on-migrated to another city, and only 38% had returned home to their native communities.²⁴ On average, returnees have lower overall education and skill levels than other migrants, perhaps accounting for their nearwholesale re-integration into the agricultural workforce (section 1.6).^{25 26}

1.4. Migrants and Employment

This section examines the work opportunities for registered migrants and the floating population, their vast presence in the informal economy, the poor conditions offered in such jobs and how the tide has begun to turn against exploitative employers.

Occupational Profile

It is difficult to gain an accurate occupational profile for all migrants due to their 'irregular' migration, presence in the informal economy and high job mobility. Nevertheless, studies have revealed that:

²² MoLSS data cited in Ash, R. (2004) Rural Underemployment, Migration and Social Welfare in China, DSG Asia, November 22: 9.

²³ Deshingkar: 2.

²⁴ Zhao Yaohui (2001) Causes and Consequences of Return Migration: Recent Evidence from China, China Center for Economic Research Beijing University: 16. ²⁵ Zhao Yaohui (2001): 6.

²⁶ Deshingkar: 8.

- Migrants are mostly employed in construction (25%), manufacturing (24%), wholesale, retail and catering (20%) and increasingly in the service industry (18%).²⁷
- Comprising 40% of the total urban labour force, rural migrant labourers have a significant presence in China's vast production force. They account for 68% of the workforce in processing and manufacturing, nearly 80% in construction and over 52% in the restaurants and wholesale and retail outlets of the tertiary industry.²⁸
- Approximately 52% of migrants are self-employed, compared to 12% of the local workforce; 29% of migrants work in non-public sectors and 12% are in public sectors, compared with 13% and 68% of the local workforce respectively.^{29*} Though another study showed different figures, they still agreed with the sharp contrast in the sectoral distribution of migrants and the resident population:

Migrants in the Informal Economy

Estimates suggest that between two-thirds and three-quarters of all new employment in China is in a burgeoning informal economy that already incorporates 80 million workers.³⁰ Despite the insecurity of "an employment relationship not subject to national labour legislation, income taxation, social protection or entitlement to employment benefits", rural migrants can still receive incomes several times those available in the agricultural sector. The high incidence of migrants in '3D' work (dirty, dangerous and demanding) can be more precisely explained by the following:

Firstly, in a climate of intense national and international competition, local governments can better attract investment by forfeiting workers rights and company's social security payments. In this "race to the bottom", migrant work is typically limited to jobs that the urban population find too hard or demeaning. Discrimination plays a role in preventing migrant workers from obtaining certain types of employment: some urban authorities, particularly those struggling to re-employ laid-off staff from SOEs, maintain protectionist labour policies that safeguard the better jobs for permanent residents.³¹

²⁷ Cai Fang (2005) *The Trend of Change of the Labour Market and the Urgency of Training Rural Migrant Workers*, China Association for Employment Promotion/Microsoft Seminar on Occupational Training for Migrant Workers held in Beijing, China, p.9.

²⁸ Cai Fang (2005): 9.

²⁹ Meiyan Wang and Fang Cai (2005) *Local vs. Migrant Workers: Employment Opportunities and Wage Differentials in Urban China*, CESifo Economic Studies Conference on Understanding the Chinese Economy, June 2005: 8.

^{*} Public sectors refer to government and party agencies, social organizations, state-owned enterprises and collectively-owned enterprises; non-public sectors refer to foreign investment enterprises, joint ventures, private enterprises and other enterprises.

³⁰ Decent Work, Employment and Poverty Reduction in Urban China (2006) Institute of International Labour Studies, MoLSS and the International Labour Organization. March 2006: 70 & 83.

³¹ Cai Fang and Kam Wing Chan (2000) *The Political Economy of Urban Protectionist Employment Policies in China*, Chinese Academy of Social Sciences: 5.

But rather than municipal "social dumping" and protectionism, it is the migrants' lack of skills that keep them in menial and manual labour. With less human capital than the urban labour force, most migrants are inadequately prepared for the formal economy. On average, local workers have nearly three years more schooling, longer current job tenure and work experience, and more frequent training than the migrant workforce.³² Though some studies have argued that the jobs available to migrants do not reward these factors, there is growing evidence that the schooling, training and work experience of migrants is reflected in their incomes.³³ But given the high rate of job mobility among rural migrants (largely because of job satisfaction levels and on-migration), employers have little incentive to train them, thereby preventing efficient human capital formation.³⁴

Thirdly, public services "do not play a relevant role for rural migrants in their search for external employment."³⁵ Instead, the composition of the workforce is largely influenced by chain migration and social networks: about 95% of rural migrant workers found jobs through friends or by themselves, less than 1% found jobs with government assistance, and only 2% found jobs through employment departments or public recruitment agencies.³⁶ This not only restricts movement into the formal economy and curbs opportunities for social mobility, but the shortage of 'regular' migration channels also greatly increases the risk of trafficking and exploitation.

Working Conditions

The national and international media reports on the exploitation of migrant workers on a daily basis. The following outlines three major grievances: the low incidence of contracts, pay abuses and dangerous working conditions.

(1) A labour contract outlines the responsibilities of the employer and employee and is the basis for the standardization of labour relationships. Though urban enterprises are required by law to sign contracts with all their staff, when the Labour Department of Suizhou City in Hubei carried out random checks on 134 companies, not one had issued any contracts.³⁷ Recent research by the *Jinan Daily* showed that eight out of ten migrants did not even know what a labour contract was – and of the few who did know, most thought they were ineffective. In many cases, employers do not fulfill their obligations as stated or the contracts are drafted to protect employers rather than employees.³⁸

³² Wang Meiyan and Cai Fang: 8.

³³ Cai Fang (2005): 9.

³⁴ Knight, J. and Yueh, L. (2004) *Job Mobility of Residents and Migrants in Urban China*, Journal of Comparative Economics, 32: 641.

³⁵ Baur, M., Gransow, B., Yihong Jin and Guoqing Shi (eds.) (2006) *Labour Mobility in Urban China – An Integrated Labour Market in the Making?*, Münster: Lit Verlag 2006 (forthcoming).

³⁶ CASS data cited in *China Human Development Report 2005: Development with Equity*, UNDP, October 2005: 121.

³⁷ '*Hubei suizhou diaocha: 134 jua qiye wu yi qa laodong hetong*' [134 companies checked in Suizhou, Hubei, do not have employment contracts with employees], *Gongren ribao* [*Worker's Daily*], July 16, 2004 cited in Asian Labour News http://www.asianlabour.org/archives/002309.php

³⁸ Frost, S. (2006) CSR Asia - China View, March 15 2006 < http://www.csr-asia.com/index.php?p=2873>

(2) In terms of pay, nearly 30% of migrants earn an average monthly wage of between RMB 300-500; nearly 40% earn between RMB 500-800 and about 28% earn more than RMB 800.³⁹ Migrants also face a number of injustices.

- Despite the higher cost of living, there has been no corresponding rise in wages. In the Pearl River Delta, wages for migrant workers have gone up only RMB 68 in the last 12 years. This stagnation is partially responsible for the growing disparity between rural and urban incomes.
- Though the law guarantees a minimum wage, many employers either disregard it completely or consider it a maximum wage.
- The law prohibits any default or delay in the payment of migrants' wages, but the practice continues to blight migrant workers, particularly in the construction industry.
- Workers carrying out the same job can be rewarded differently, often discriminating on the basis of gender or *hukou* status. Even in the formal sectors of government offices and SOEs, migrants are often paid less and enjoy fewer benefits than their urban counterparts.⁴⁰
- Even when migrants are willing to work overtime, they are rarely compensated adequately. An NBS survey found that 76% of labourers had worked overtime during the holidays, but did not receive the pay that they were entitled to. A study on migrants' working hours found that nearly twice as many rural migrants as urban workers worked six days a week, and as many as 58% of rural migrant workers worked seven days a week.⁴¹

(3) Occupational safety and health (OSH) is a huge problem facing China's workforce, and the prevalence of migrants in dangerous jobs ensures a high number of work-related illnesses, injuries and deaths.

- In 2004, there were 136,000 fatalities from workplace accidents, up from 100,000 in 2000.⁴²
- Migrant workers accounted for 80% of the deaths in mining, construction, and chemical factories.⁴³
- Approximately 90% of patients suffering from workplace-related diseases are migrant workers.⁴⁴

Such striking statistics have led to comprehensive OSH regulations and new legislation on employment injury insurance. However, these laws are poorly enforced and

<http://english.gov.cn/2006-02/17/content_202437.htm>

³⁹ 'Rural-urban income gap continues to widen'. *China Daily*, April 17, 2006.

⁴⁰ Wang Meiyan and Cai Fang: 6.

⁴¹ China Human Development Report 2005: 42.

⁴² Wen, D. (2005) China Copes with Globalization: A Mixed Review, The International Forum on Globalization: 22.

⁴³ Zheng Zhenzhen and Lian Pengling (2005), *Health Vulnerability among Temporary Migrants in Urban China*, International Population Conference held in Tours, France: 8

⁴⁴ 'Occupational diseases haunt migrant workers', *China Daily*, February 17, 2006.

implemented, due partly to the understaffed State Administration of Work Safety (SAWS). The ministerial level watchdog in charge of guiding and overseeing the implementation of OSH legislation has approximately 20,000 officers applying, monitoring and enforcing the relevant labour laws - one for every 35,000 workers.⁴⁵

Labour Shortages

Despite the country's aggregate labour surplus of well over 150 million people, the manufacturing and processing industries in certain regions are facing labour shortages. Most notably, the Pearl River Delta is short of approximately two million labourers, or 10% of its workforce.⁴⁶ The national media has described the migrants' collective desertion as 'voting by foot'.

Rather than a policy obstacle, the shortage of migrant workers is mainly due to their dissatisfaction with unfair treatment; the financial or psychological comparative gain of working elsewhere, perhaps closer to home; and a new generation of migrants that have higher wage and welfare expectations than their parents. Other factors such as higher rural incomes following agricultural tax breaks and farmer training, an inefficient labour market, and demographic trends have also been touted as contributing factors to the shortages in the PRD.

A 2006 survey conducted by the Shenzhen Municipal Bureau of Labour and Social Security shows that in order to fill their vacancies, enterprises will adopt several changes to their recruitment strategy: (1) rather than a dependence on informal recruitment methods, there will be an increase in advertisements in the media, job fairs and job agencies; (2) there will be fewer restrictions on gender and age, though more companies will require workers to have a high school education and basic skills; and (3) an expected 30% of companies are willing to improve wages and welfare to ensure they can attract new workers and retain current employees.⁴⁷

Trafficking

Though migration has become a viable option for the rural population, the limited information, services and 'regular' migration channels available to them has made them vulnerable to exploitation. Many labour migrants – especially girls and young women – leave their villages uninformed and ill-prepared, often after dropping out of school prematurely, and face a lack of opportunities. There is little awareness amongst these potential victims, their families and the authorities that such movement may involve deception or coercion, systems of debt bondage, and/or result in sexual exploitation or forced labour in slavery-like conditions. The ILO-CPTING project (section 3.2.) is conducting a number of strategies to develop safer migration channels for girls and young women.

⁴⁵ Brown, G.D., and O'Rourke, D. (2003) *Experiments in Transforming the Global Workplace: Incentives for and Impediments to Improving Workplace Conditions in China*, International Journal of Occupational and Environmental Health, Vol. 9, No 4, October/December 2003: 380.

⁴⁶ Cai Fang (2005): 1.

⁴⁷ Shenzen Labour and Social Security Net cited in Frost, S. (2006) *CSR Asia Weekly*, Vol.2 Week 7, February 15th 2006 <<u>http://www.csr-asia.com/index.php?p=5651</u>>

1.5. Migrants and Social Services

The urban *hukou* entitles access to a number of welfare schemes and other services that guarantee a minimum standard of living. The rural *hukou* allows for a plot of arable land that acts as both a source of income and a safety net. In between, there remains a policy gap regarding the social protection of rural labourers towns and cities.

Though migrants tend to have higher incomes than those who stay in rural areas, they need to cope with urban living costs, send a large share of their wages back to their families, and face rising user fees for social services, particularly for healthcare and education. Also, the vast majority of migrants are not incorporated into social insurance schemes, furthering underlining their vulnerability. The *hukou* system may no longer confine citizens to their place of birth, but through its function in the distribution of social services it continues to restrict movement and contributes to the growing inequality; as seen in the following.

Social Insurance

The limited participation of migrants in the five areas of social insurance highlights the vulnerability of migrants. Participation rates vary according to the sector in which they work, the provinces in which they live, and the surveys which they take part in. To date, the studies that have been conducted in this field reveal highly contrasting findings. One report put migrant workers' participation in pension schemes to be as high as 33.7%; medical care, 21.6%; unemployment insurance, 10.3%; employment injury insurance, 31.8%; and maternity leave, 5.5%.⁴⁸ Another study by the IILS found that only 15% have a pension and 10% have medical insurance;⁴⁹ and the Chinese Academy of Social Sciences estimates that less than 5% get full or partial pension insurance.⁵⁰

Healthcare

In terms of healthcare, China's migrants inhabit an environment of vulnerability. With 80% of the rural population without health insurance and the high cost of treatment, migrants are reluctant to seek medical attention.⁵¹ The occupational hazards have already been considered above, but migrants are also susceptible to a range of heath risks as a result of their poor housing conditions. They are often housed in cramped areas with poor ventilation and sanitation; areas in which diseases such as SARS and tuberculosis thrive.

Moreover, migrants are faced with a dearth of information and limited services in the area of sexual and reproductive health. Two thirds of maternal deaths in urban areas are

⁴⁸ '*Nongmingong Zheng chengwei Zhongguo gongren jieji de zhuyao liliang*' [Migrant workers are becoming a major force in the Chinese working class], *Gongren ribao* [*Worker's Daily*], July 7, 2004 cited in Asian Labour News http://www.asianlabour.org/archives/002126.php

⁴⁹ Decent Work, Employment and Poverty Reduction in Urban China: 76.

⁵⁰ China Human Development Report 2005: 3.

⁵¹ National Health Services Survey, 2003 cited in *Balancing Development to Achieve an All-Round Xiaokang and Harmonious Society in China*, United Nations Common Country Assessment 2004: 40.

related to migrant women, though they account for only 10% of the total pregnancies.⁵² Another study found that the number of stillbirths among migrants was twice that of permanent urban residents.⁵³ HIV/AIDS also looms over the large, young and mobile population free of traditional constraints.

Education

In the migration process, education is a principal concern for migrant families and China's Government. Considered a basic right of all citizens, efforts have been stepped up to guarantee a nine-year education to all - including the children affected by migration, whether they are among the 6.5 million in urban areas or the 22.9 million "left-behind" in rural areas. The policy has recently been changed to entitle them to the same schooling as urban residents, however:

- Including the children of migrants into the education system presents extremely high costs to the local authorities.⁵⁴ When a city in Shandong Province sought to extend free education to them, they found that the necessary \$1.2 million would be several times the total education budget.⁵⁵
- In practice, unregistered migrants pay a 'donation' to send their children to public schools in urban areas. In Beijing, annual fees can be RMB 12,000 or higher, more than the salary of some construction workers.⁵⁶ As a result, nearly half of all migrant children cannot go to school and 9.3% of them drop out.⁵⁷ There are cheaper schools specifically for migrants, but the teaching and facilities are of a much lower quality.
- In addition to the preventative costs, there are other barriers preventing the mainstreaming of migrants into higher education. For example, migrants cannot take university entrance courses where they are not permanently registered.

1.6. Migration and Rural Development

In stark contrast to the restrictive policies of the past, authorities in sending areas now actively encourage migration as a vital component of the local economic and social development strategy. Though they themselves are often tied to the lowest rung of the ladder and in need of targeted assistance, migrants are likened to "factories with no smoke" with suggestions that "a single migrant can lift a whole family out of poverty."⁵⁸ The benefits can be seen at each stage of the migration cycle:

⁵² Advancing Social Development in China: Contribution to the 11th Five-Year Plan, UN Country Team Occasional Paper Vol. 1, October 2005: 2.

⁵³ Zhan Shaokang, Sun Zhenwei, and Blas, E. (2002) *Economic Transition and Maternal Health Care for Internal Migrants in Shanghai, China*, Health Policy and Planning. Vol. 17.

⁵⁴ Nielsen, et al (2005) *Determinants of School Attendance among Migrant Children: Survey Evidence from China's Jiangsu Province*, Conference on Globalization and Labour Mobility in India and China, Monash University, September 2005.

⁵⁵ Liu, M. (2005) 'Migrants' rights: opening up the system', *Newsweek International*, January 31, 2005. [http://www.msnbc.msn.com/id/6857241/site/newsweek].

⁵⁶ Solinger cited in Zhao Yaohui (2000): 10.

⁵⁷ 'Migrant children stay bottom of the class', China Daily, November 4, 2004,

<http://english.sohu.com/20041104/n222833657.shtml>

⁵⁸ Ash: 13.

- Out-migration relieves surplus labour and thereby improves agricultural efficiency and rural incomes.
- As the most direct link between migration and poverty reduction, remittances far outstrip local authority budgets and will soon contribute more to rural households than agriculture. In 2004, remittances were estimated at US\$45 billion.⁵⁹
- On their return, the finances, ideas, skills and networks acquired by migrants can be used as the basis of new livelihood strategies fundamental to the diversification of the rural labour market.

Migration has certainly hastened poverty alleviation in China, but it has the potential to do more for lasting rural development and the narrowing of socio-economic disparities. Critics argue that rather than treating the long-term development needs of rural communities, the acquired human, social and financial capital of migrants is predominantly used to treat 'transient poverty'.⁶⁰

- Migration deprives sending provinces of their most productive, educated and skilled workers. Instead of bridging urban-rural and inter-regional inequality, freer mobility and brain drain may be widening the gap.
- Though remittances enable families to invest in education and healthcare, they are largely used for consumptive rather than productive spending.⁶¹
- Contrary to common belief, the fraction of migrants that do return home are hardly entrepreneurial and only a small proportion establish small businesses.⁶²

Migration is an irreversible phenomenon, which on the whole, has the potential to transform China's economy. More needs to be done to accentuate the positive and mitigate the negative aspects of migration.

1.7. Migration and Urban Development

Relaxing the *hukou* system may have helped to relieve some of the under-employment, poverty and social disorder in rural areas, but it could be argued that large-scale migration has, to a degree, transferred or exacerbated these problems in the towns and cities. The growth in labour supply has increased competition for low-skilled urban workers and arrested wage levels. This, together with the generally poor conditions of rural-urban migrants, has been a significant contributing factor to the re-emergence of urban poverty across China. Unsurprisingly, pressures on employment and urban infrastructure have resulted in some social tension: migrants are discriminated against, portrayed as peasants, criminals and scapegoats for urban population.

⁵⁹ Ministry of Agriculture data cited in Deshingkar: 18.

⁶⁰ Thouez, C. (2005) *The Impact of Remittances on Development*, Conference on International Migration and the Millennium Development Goals held in Marrakech, Morocco: 41.

⁶¹ Wenfei Wang and Fan, Cindy C. (2004) Urban-Rural Return Labor Migration in China: A Case Study of Sichuan and Anhui Provinces, UCLA: 10.

⁶² Zhao Yaohui (2001): 15.

1.8. A Turning Point?

For years, migrants have been instrumentalized to drive the economic growth of rural and urban China with limited protection and assistance. Though they have gained access to job opportunities, they were exposed to exploitative working conditions, health risks, discrimination and more. The continued segmentation of the urban and rural labour markets has led to China becoming one of Asia's most unequal societies. Income inequality between the two stands at 3.2:1, but the difference could be as high as five or six times when social services are taken into account.⁶³ ⁶⁴ Ominously, with a Gini coefficient above 0.4, "the threshold considered by many to indicate potential social unrest" has already been crossed.⁶⁵ The following will examine the Government's efforts in bringing an end to China's dual labour market and some of the measures that have been introduced to support migrant workers.

⁶³ Li Deshui, Commissioner of the NBS, quoted in *China Daily*, February 1, 2005 cited in Sutherland: 8.
⁶⁴ Li Zi (2005) 'Rural dilemmas', *Beijing Review*, Vol. 48, No.10, March 10, 2005: 23.

⁶⁵ Balancing Development to Achieve an All-Round Xiaokang and Harmonious Society in China, United Nations Common Country Assessment 2004: ix.

Part 2. Policy and Programme Responses

In the 11th Five Year Plan for 2006-2010, migration has been embraced as essential to the national development strategy, marking a momentous concept change for the Government. In just a few years, official policy has evolved from 'restrict migration' \rightarrow 'control and administer migration' \rightarrow 'facilitate migration'. If framed with the right measures, migration can drive China's urbanization, increase rural incomes, restructure the economy, and level urban-rural and regional disparities - priorities in the development of a 'balanced' and *xiaokang* society.

The Government has been taking strides to maximize the potential of migration and mitigate the negative side effects. Most recently, on 31 March 2006, the State Council approved a request from MoLSS to set up the Joint Committee on Migrant Workers. For the first time, a single body has been empowered to conduct a holistic examination of the conditions of migrants, holding consultations and drafting policy recommendations based on their findings. The committee is also charged with reporting on the progress of relevant line-ministries in their specific duties regarding migrants and migration. Under the guidance of the State Council, the secretariat of the committee will be based in MoLSS and cooperate with 31 ministries and institutions.

Because of the multifaceted challenges involved in successfully transferring the surplus rural workforce into decent jobs, unifying the labour market and universalizing social security, the Government has been gradually and experimentally promoting further *hukou* reforms, introducing more protective legislation and extending training and services to migrants. At the same time, civil society and international organizations are also contributing with a number of initiatives to improve their conditions. The following will examine some of the policies, programmes and activities aimed at improving the employability and addressing the marginalization of migrants.

2.1. China's Labour Laws

When compared with many other developing countries, China's 1994 Labour Code is relatively progressive. The laws set occupational safety and health standards, established a minimum wage, limited working hours, prohibited discrimination and outlawed child labour.⁶⁶ However, these protections were established in a different era – prior to the transformation of the labour market – and the Code does not effectively protect the rights and interests of tens of millions of rural labourers who have since taken up non-agricultural jobs in urban areas.

The process of eliminating the two-tiered urban labour market that legitimizes the exploitation of migrants was initiated with two landmark policy documents from the State Council – *Document Number 2 of 2002* and *Document Number 1 of 2003*. These lists of recommendations specifically called for "fair treatment, reasonable guidance, improvement of management, and better services" for migrant workers and triggered a proliferation of workplace regulations and social security provisions over the following few years (see Box 1).

⁶⁶ Chan, A. (2005) *China Says No To Developed Countries' Corporate Social Responsibility*, Asian Analysis, Februrary 2005 < http://www.aseanfocus.com/asiananalysis/article.cfm?articleID=81>

Box 1. Following the State Council's recommendations, a number of significant regulations aimed at protecting the rights of migrants were introduced, including:

- One of the first products of the Government's new position on migrants and migration
 was a change in rhetoric. Migrants' contribution to the rapid socio-economic
 development of China was recognized and they were acknowledged as part of the
 working class rather than peasants.
- All urban employers were obliged to sign **labour contracts** with employees (including migrants) to safeguard their rights and identify the obligations of both parties.
- All excessive limitations and **unreasonable fees** on migrant workers seeking either temporary or permanent employment in urban-based enterprises were to be abolished.
- The 2002 *Work Safety Law* and the *Law on the Prevention and Cure of Occupational Diseases* stipulated the **occupational safety and health** systems and measures employers must adopt to guarantee all employees a safe working environment.
- The All-China Federation of Trade Unions (ACFTU) announced in August 2003 that it
 would recruit as many migrant workers as possible. In the first month, over 34 million
 joined local trade unions in cities and townships throughout the country.
- In September 2003, a joint directive drafted by six ministries declared that urban authorities and their public schools are responsible for providing the children of migrants with an education equal to that of other pupils.
- The State Commission of Population and Family Planning issued a document in 2003 ordering urban authorities responsible for the supervision of **reproductive health** services for migrants with temporary resident registration.
- In 2004, enterprises in high-risk industries such as mining and construction were ordered by the MoLSS to take out **employment injury insurance** for migrant workers.
- After taking up the cause of **defaulted wages** in the construction industry, Premier Wen Jiabao used the 2005 Government Work Report to prohibit the delayed payment of migrant workers. Then, in March 2006, the State Council called for the establishment of a wage payment supervision system and a wage deposit system to finally solve the issues of defaulting on, or cutting, wages to migrant workers. These systems will enable the government to find and fine those employers who contravene the law.

Source: Ping & Shaohua / China Daily

At the end of 2005, the State Council issued a policy paper that will steer the Government's employment practice in the coming two to three years. Entitled *Notice on Further Strengthening Employment and Reemployment Efforts*, Circular No. 36 reiterated the need for an improved environment for migrants working in towns and cities, and also called for deepened reform of the labour market including an end to urban-rural and regional segregation.

To follow up Circular No. 36, the executive meeting of the State Council convened on January 18, 2006. They passed, in principle, a series of seven measures to further protect the rights and interests of rural workers.

- 1. Guarantee the minimum wage and resolve the issue of defaulting wages for migrant workers by setting up a system to monitor the delivery of wages;
- 2. Enforce the labour contract system and regulate the labour administration of rural workers;
- 3. Provide employment services and job training to migrant workers and remove discriminatory restrictions;
- 4. Make efforts to enlarge rural workers' social security coverage including employment injury, medical care and pension schemes;
- 5. Provide access to urban public services and improve migrants' housing conditions;
- 6. Improve the mechanism to protect migrants' democratic political rights and land contract ownership;
- 7. Promote local economic development (LED) and township and village enterprises (TVEs) to encourage the local transfer of the surplus rural labour force.

Since the NPC Congress in March 2006, a brand new national policy has been accepted by the State Council to improve the social security system for migrant workers. Based on two years of investigation, the Central Government has adopted concrete measures to expand social security coverage to approximately 200 million rural migrant labourers. Besides employment injury insurance, the scheme includes medical insurance to help cover the costs of treatment for serious diseases.⁶⁷

In addition, later in March 2006, a draft Labour Law was released for public consultation, only the second draft law to be made public in China in recent years. Labour rights advocates have called for a substantive and workable code that companies can comply with of their own accord, that employees can utilize with ease, and that the government can monitor effectively.⁶⁸

⁶⁷ Tian Chengping, Minister of Labour and Social Security cited in 'New policy covers migrant workers', *China Daily*, March 20, 2006, <<u>http://english.gov.cn/2006-03/20/content_231292.htm</u>>.

⁶⁸ Liu Kaiming (2005) An Investigative Report on a Case of Collective Labour Dispute: A Social Structure of Lost Entitlements, Institute of Contemporary Observation: 11.

2.2. Implementation of Legislation: Balancing Equity and Efficiency

In just a few years, the flurry of legislation and initiatives aimed at addressing their vulnerability and exploitation has benefited the lives of millions of migrants; for example:

- Following a well-supported and successful national campaign against defaulting firms, as much as 80% of migrant workers were fully paid in 2005;⁶⁹
- A considerable proportion of the 70 million employees in urban enterprises insured against injury in the workplace are rural migrants;
- Beijing has promised its estimated four million migrants services equal to that of locals in healthcare, education and family planning. Migrant women will receive the same low-cost health checks and medical services during pregnancy and childbearing, and their children will get free vaccinations against epidemic diseases;⁷⁰
- Shanghai now covers more than two million migrant workers in a special social security programme;
- In Wuxi, a city in eastern Jiangsu Province, more than 90% of the children of migrant workers enter local schools without having to pay extra fees.⁷¹

While there are examples of progressive measures, far more municipal authorities maintain arbitrary, discriminatory and protectionist labour policies. Overall, labour legislation suffers from the "absence of rigor and failure of implementation", due to a number of reasons.⁷²

Firstly, China suffers from a severe shortage of trained labour inspectors: SAWS has approximately one officer for every 35,000 workers. ⁷³ Without a well-trained inspectorate to enforce the law, penalize non-compliance and promote the importance of safe working environments, employers will continue to violate the law.

Secondly, and less straightforwardly, are the direct costs and opportunity costs involved in extending rights to migrants. Compliance with all the labour laws would lead to spiraling operating costs and force the collapse of millions of enterprises that are running on tight profit margins and simply cannot afford to offer better conditions. In addition, the same authorities that are responsible for ensuring the fair treatment of migrants are also competing on low labour costs to attract investment. Opportunities for employment

http://www.chinagate.com.cn/english/45436.htm

⁶⁹ 'Migrant workers see higher wages', *China Daily*, February 14, 2006. http://english.gov.cn/2006-02/14/content_188183.htm

⁷⁰ 'Children of migrants to have same inoculation as urban peers', *Xinhua*, April 11, 2006.

http://english.gov.cn/2006-04/11/content_250645.htm

⁷¹ 'Migrants gaining improved status', *Xinhua News Agency*, February 3, 2006.

⁷² Frost, S.D., and Pringle, T.E. (2003) *The Absence of Rigor and the Failure of Implementation:*

Occupational Health and Safety in China, International Journal of Occupational and Environmental Health, Vol. 9, No 4, October/December 2003: 309.

⁷³ Brown, G.D., and O'Rourke, D. (2003) *Experiments in Transforming the Global Workplace: Incentives for and Impediments to Improving Workplace Conditions in China*, International Journal of Occupational and Environmental Health, Vol. 9, No 4, October/December 2003: 380.

generation and increased tax revenues are major disincentives to implementing and enforcing legislation.⁷⁴

With an overarching employment policy of maximizing job creation through optimizing employment elasticity, the transition to the formal economy must be measured in order not to jeopardize the dynamics of an informal economy that comprises an estimated 30-40% of China's total urban labour market.^{75 76} Employment remains the primary security from which protection should be launched, and the formalization of the economy and the enforcement of legislation must be gradual, experimental and match the pace of economic development.⁷⁷ Imposing the law and sacrificing economic growth could be disastrous: some observers have suggested that even a one percentage point drop in China's economic growth would cut labour demand by 900,000, seriously dampening job prospects for migrant workers.⁷⁸

But on the other hand, by employing this strategy the Government may be risking an escalation in social tensions. Already, dissatisfaction with socio-economic disparities and rights violations has been expressed through an increased number of labour disputes, labour shortages and social unrest. Maintaining a balance between labour security and economic competitiveness is a monumental challenge; a tightrope situation in which one side must not dominate over the other.

2.3. Hukou Reforms

By ratifying ILO Convention 111 on Discrimination, the Chinese Government has committed to eliminating employment discrimination on the grounds of social origin. The *hukou* system is the origin and legitimacy of discriminatory policies and regulations against migrants and in the coming years the Government will have to demonstrate how they are working to eliminate the disparities it causes.⁷⁹ But more than a simple legal decree that will loosen residence registration and end the segmentation of the urban and rural labour markets, eliminating the *hukou* system requires a restructuring of the public resources distribution system and the political and social systems in which citizens exercise their political rights.⁸⁰ These impact everything from employment to social security to property rights.

Despite the recommendations of the Chinese leadership, *hukou* liberalization and population management is, in practice, the responsibility of provincial governments. This was demonstrated in November 2005, when plans drafted to scrap the *hukou* system in 11 provinces were quickly shelved following strong opposition at the local level.⁸¹ A city's

⁷⁴ Frost and Pringle: 312.

⁷⁵ Baur et al.

⁷⁶ Decent Work, Employment and Poverty Reduction in Urban China: 70.

⁷⁷ Peng Xizhe and Yao Yu: 10.

⁷⁸ 'China's economic curbs may cut urban jobs for migrant workers', July 16, 2005 <<u>http://www.financialexpress.com/fe_full_story.php?content_id=96581</u>>

⁷⁹ Wan Guanghua, et al (2005) *Estimating Flows of Migrants in China and Policy Implications*, UNU-WIDER : 5.

⁸⁰ Liu Kaiming: 301.

⁸¹ China Digital Times http://chinadigitaltimes.net/test_tag.php?id=hukou

capacity to absorb migrants largely depends on investment, social security and welfare costs, infrastructure and social stability.⁸² For example, when qualifications for permanent residence were relaxed in Zhengzhou, the capital of Henan Province, the migrant population mushroomed ten-fold to 150,000 in just three months. The rapid deterioration of social order forced the authorities to reverse to decision.⁸³

The costs and the management difficulties involved in completely abolishing the *hukou* system dictate that reforms must be gradual, experimental and dependent on the specific conditions of a town or city. In general, 'new citizens' from the vicinity of the town or city and 'new social members' from within the province are more readily accepted than unskilled inter-provincial workers present only to satisfy labour demand.⁸⁴ In addition, in small cities, rural migrants with stable jobs and accommodation tend to enjoy the same treatment as local residents; relaxed application requirements have significantly lowered the barriers to settling in the medium-sized and some larger cities; but in metropolises such as Beijing, Shanghai and Shenzhen, permanent residence status remains accessible only to wealthiest, most educated and highly-skilled migrants.^{85 86}

Besides the financial and social implications, there are other significant institutional barriers to eliminating the *hukou* system. Providing social protection to the transient population would require a comprehensive overhaul of the welfare system. Because the entitlement programme is currently organized on a localized rather than a nationwide level, it is not transferable to other cities and is therefore incompatible with migrant mobility. Moreover, not all migrants are in favor of changing the current system. Although only a share of rural labourers actually returns to their native communities, many are reluctant to give up the land rights guaranteed to them by the rural *hukou*; as mentioned above, this land serves as a source of income and the ultimate safety net. Also, some migrants might not be willing to pay part of their salaries into a social insurance scheme.⁸⁷

2.4. Government Employment Programmes and Policies

Migration is more than just a labour issue and its broad implications demand similarly broad responses. While legislation and protection may improve poor living and working conditions, the realization of a 'balanced' society also requires targeted assistance to the most vulnerable groups. Though migrants need support in gaining access to affordable healthcare, housing legal services, education, etc., the following focuses primarily on the interventions designed to improve their employability. In China's highly competitive economy, unless migrants receive more equal access to information, training and services, they will continue to pervade the informal economy.

The strengthening of migration management, the delivery of more equitable public employment services, the extension of training programmes and support for small

⁸² Miller, T. (2005) *Hukou Reform: One Step Forward*, China Economic Quarterly, Q3 2005: 35.

⁸³ Liu (2005).

⁸⁴ Baur et al.

⁸⁵ China Human Development Report 2005: 103.

⁸⁶ Ping & Shaohua: 8.

⁸⁷ Peng Xizhe and Yao Yu: 10.

enterprises are some of the measures needed to generate more decent work opportunities for migrants. In the long-term, such employment promotion strategies in place at all stages of the migration cycle will stimulate social mobility and help to narrow inequalities.

Migration Management

Migration management systems are essential to making China's labour market more efficient; that is, supply matching demand to ensure the highest level of employment. The orderly transition of the rural workforce involves a number of tasks: the monitoring of migratory trends and patterns; the promotion of safe channels of migration; ensuring vocational training programmes meet current and future industry needs; analyzing the capacity of towns and cities to absorb migrants; etc.

All of these undertakings depend on the collection and analysis of more accurate data on employment and migration. The Government's "Jinbao Project", a national information system, will strengthen the development of labour market and social insurance information.⁸⁸ In addition, a national urban labour force survey is conducted regularly and there are now a thousand 'rural labour flow and employment monitoring stations' to improve information networks around the country.⁸⁹

Migration can be made more regulated, efficient and safer through agreements between sending and receiving areas. Locale-specific win-win arrangements that match supply and demand are becoming increasingly common. For example, the 2004 'Pan-Pearl River Delta Regional Labour Cooperation Framework' established migrant employment systems, removed barriers to their recruitment, promoted the sharing of information on local labour markets and formed trans-provincial employment services.⁹⁰

Employment Services

Employment centers also provide a central function of migration management, providing recruitment advice, training courses, placement services, and data on labour patterns. However, migrants and especially first-time migrants overwhelmingly favor familial and informal arrangements over public employment services. By limiting employment opportunities, chain migration is a contributing factor to their presence in the informal economy.

Therefore, the Government has sought to develop and standardize employment services and improve their public perception by cracking down on illegal agencies and allaying reservations about high fees and low efficiency. The Ministry of Labour and Social Security (MoLSS) has also launched the 'Spring Breeze Movement', which called on urban public employment institutions to extend assistance to migrants free of charge.⁹¹

⁸⁸ Notice on Further Strengthening Employment and Reemployment Efforts, State Council Circular 36, December 2005.

⁸⁹ The Information Office of the State Council (2002) *Government White Paper on Labour and Social Security in China.*

⁹⁰ Pearson: 32.

⁹¹ Tan Shen: 2.

There are now over 20,000 such locations where rural workers with the appropriate certification have access to improved information channels.⁹² In a bid to promote safe and registered migration, the Labour Bureau in Nanjing plans to offer subsidies for recruitment firms that bring migrants and employers together.

Training Programmes

Besides discriminatory practices, another factor consigning migrants to low wages and poor working opportunities is the human capital deficit in comparison to the resident urban population. The employability of migrants and potential migrants – in either the increasingly skills-based urban economy or a diversified rural economy – is founded on the education and skill levels. Access to a quality education (in both rural and urban areas) and effective training programmes are required to transform domestic agricultural farmers into industrial workers.

The largest such intervention, the 'National Plan for Training Rural Migrant Workers', is a collaboration between several ministries, vocational and technical schools, and private training institutions.⁹³ The programme aims to provide 60 million prospective migrant labourers with guidance ideology, short-term vocational training and post-departure training between 2003 and 2010.⁹⁴ In addition, the 'Sunshine Project', a joint initiative launched by six ministries, aims to adapt or upgrade the skills of ten million people in poverty-stricken sending provinces. By establishing links between training institutions and enterprises, 88% of the 2.5 million rural inhabitants who have participated in this training have already found off-farm employment.⁹⁵

Creating an Enabling Environment for Enterprises

Having enhanced their human, social and financial capital, many migrants harbor entrepreneurial aspirations, but as yet, rural authorities have failed to harness the full potential of return migrants. Promoting small business start-ups among a new generation of migrants - that are younger, more educated, more skilled, more integrated, more ambitious and know little about farming - could prove a catalyst for local economic development and the diversification of the rural labour market.

The biggest hurdles faced by entrepreneurial returnees are a lack of capital and a limited availability of skilled labour. In order to entice migrant capital and encourage business start-ups, local governments have developed various strategies and incentives including the coordination of training; preferential tax treatment; simplification of administrative

⁹² Li Xiang (2005) 'Playing fair with farmers', *Beijing Review*, Vol. 48, No.10, March 10, 2005: 27.

⁹³ Chai Haishan (2005) *Policy Background Report on Training for the Migrant Workers*, China Association for Employment Promotion/Microsoft Seminar on Occupational Training for Migrant Workers held in Beijing, China: 1.

⁹⁴ Tan Shen: 3.

⁹⁵ Han Jun (2005) *The Evolution of the Policy on Providing Training for Peasant Workers Seeking Employment in Cities and Relevant Problems and Suggestions*, Presentation at the China Association for Employment Promotion/Microsoft Seminar on Occupational Training for Migrant Workers held in Beijing, China.

procedures; building of infrastructure; help with land acquisition, information and credit; improved access to small towns; and even integration into the local political system.⁹⁶

2.5. Non-Governmental Sources of Support

In designing and implementing multi-sectoral responses to the challenges of labour migration, the Government benefits from the cooperation of the mass organizations, NGOs, the United Nations and other international organizations, and the private sector. The following looks at how non-governmental bodies are helping to safeguard the legitimate rights and interests of migrants and provide them with support services.

The All-China Federation of Trade Unions

Specified in the Constitution as the one legal union, the All-China Federation of Trade Unions (ACFTU) is progressively providing more protection to the newest members of the working class. With a total of over 34 million migrant members, the ACFTU aims to recruit six and a half million more in 2006, and 70% of all migrants by 2008.^{97 98} In addition to promoting decent wages and working conditions, the union provides training opportunities and campaigns on behalf of migrants – in 2005 focusing on the continuing practice of delayed wages.

Despite the increasing number of migrants in the labour union, tens of millions in both the informal and formal economies continue to endure poor working conditions without representation. Even though 11 million out of the nearly 40 million migrant workers in the construction engineering industry are unionized, this still represents a seemingly low proportion from an industry blighted by safety concerns and defaulted payments.⁹⁹

The weak bargaining power of migrants and the rising number of labour disputes reinforces the need for effective social dialogue, but a share of employees, employers and local authorities have reservations about unionization. Some employees feel that their position would be in jeopardy were they to join a union; some employers worry that unionization would raise operating costs; and some local authorities fear that trade unions might threaten their competitiveness in attracting investment. Moreover, critics have argued that as an organ of the Central Government, the ACFTU puts "transmitting the politics of the party" ahead of representing the interests of the working class.¹⁰⁰

The All-China Women's Federation

Another of China's mass organizations, the All-China Women's Federation, has the network, influence and resources to publicize, mobilize and supervise activities for women in sending and receiving areas. The WF takes an active role in combating the trafficking of women, actively participating in the formulation of relevant laws, strengthening communication and awareness of the dangers of trafficking and improving

⁹⁹ 'Trade unions trying to help migrants', *www.chinaview.cn*, March 12, 2006.

¹⁰⁰ Baur et al.

⁹⁶ Baur et al.

⁹⁷ 'China's trade unions to strengthen protection on migrant workers' rights', *People's Daily Online*, September 22, 2003 http://english.people.com.cn/200309/12/eng20030912_124163.shtml

⁹⁸ 'Six million migrant workers expected to join labor union this year', *People's Daily Online*, January 11, 2006, http://english.people.com.cn/200601/11/eng20060111_234663.html

access to education for women in rural areas. In some cities, the WF has also set up a telephone hotline and shelter centers for migrant women, offering free, reliable and anonymous advice on everything from reproductive health information to legal counsel.¹⁰¹ The WF is also collaborating very closely on the implementation of the ILO CP-TING project to prevent the trafficking of girls and young women for labour exploitation (section 3.2).

The United Nations

The objectives of the 11th Five-Year Period reflect the Chinese leadership's vision of *xiaokang* – "an all-round, well-off society" – and put the country on a "people-centered" and "balanced" development path. These principles, and the commitment to reducing socio-economic inequalities and providing support to the most vulnerable groups, mirrors the mandate of the UN and reflect a commitment to the Millennium Development Goals (MDGs). Migration's prioritization in the national development agenda has ensured that it will heavily influence the programmes of all the UN agencies working in China. And at the same time, the UN has advocated the cause of migrants when delivering support on policy development. The UN Country Team's key strategic publications of the last year, the UN Development Assistance Framework 2006-2010 (UNDAF) and the Contribution to the 11th Five Year Plan thoroughly highlight the hardships of migrants, particularly focusing on the inequality and inequity of access to healthcare, education and social protection, but also emphasize their potential in the development process.

The UNCT China contributes technical expertise and international experience to Government efforts in creating more and better jobs, improving access to healthcare and an education, and extending equal rights and protections to the entire population. The various UN activities carried out to support migrants, including policy advice, capacity building and direct interventions are outlined in the matrix in Appendix 1. The International Labour Organization's activities in relation to migration are examines in more detail in Part 3.

NGOs and Self-Help Initiatives

There are countless local and international NGOs that work to improve labour standards, distribute information and provide services for migrants. One successful example is the Institute of Contemporary Observation (ICO) in Shenzhen, the country's first and largest NGO focused on labour rights. Established in 2001, the ICO introduces basic human rights into factories, mediates labour disputes, and offers support services for migrants. Its Migrant Workers Community College provides courses in English, IT, law, occupational health, and HIV/AIDS prevention. To date it has reportedly helped over 200,000 workers throughout China.¹⁰²

The international NGO, Oxfam Hong Kong, has backed over a dozen projects and activities over the last year that directly relate to the well-being of China's migrant workers. Under its mission of promoting the right to a sustainable livelihood, OHK works

¹⁰¹ Tan Shen: 2.

¹⁰² Tang, R. (2004) 'The winds of change', *The Weekend Standard*, July 24, 2004

<http://www.asianlabour.org/archives/002297.php>

in urban and rural areas promoting research, training and capacity building in the areas of OSH, legal services, rights assertion, CSR, children's education and more. In the 2004-2005 period, more than 100,000 workers joined Oxfam-supported training and advocacy programmes, various participatory workshops were organized, and labour centers that provide migrant services were established in a number of cities.

In addition, migrants have established various self-help initiatives, demonstrating their resourcefulness. For example, there are cases of migrants forming safety inspection task forces to monitor and ensure their own workplace safety.¹⁰³ Some local rural authorities have supported collective bargaining by helping migrants to sign group contracts and establish representative agencies in receiving areas.¹⁰⁴ In addition, migrant enclaves, based on social networks and chain migration, have helped to reduce the costs and risks of migration.¹⁰⁵ One such commune in Beijing, Zhejiang Village, has established self-sufficient schools, clinics, restaurants, child-care centers, hairdressers, repair shops and markets.¹⁰⁶

Corporate Social Responsibility

CSR has been gaining momentum since the mid-1990s, and more and more firms in China are implementing stringent, certified labour standards to meet consumer and buyer requirements.¹⁰⁷ Given the poor implementation and enforcement of legislation, CSR initiatives have the potential to improve workplace conditions, particularly for the large number of migrants employed in the export and brand-oriented manufacturing sector.¹⁰⁸ CSR cannot substitute the role of government, but employers can still play a vital role by complying with the labour laws and providing equal treatment for their workforce, regardless of their origin.

However, CSR does have its detractors. While advocates believe that adhering to such measures is sound business practice – offering companies a competitive advantage and improving staff productivity, thereby increasing profitability; opponents argue that it is merely a foreign, protectionist measure to raise labour costs and decrease competitiveness.¹⁰⁹ Rather than observing various different and costly standards, the China Enterprise Confederation (CEC), the main employers' representative body, is collaborating with 20 government departments to develop national CSR standards.¹¹⁰

¹⁰³ 'Guardian angels to watch over miners', China Daily, June 1, 2005

<http://www.csr-asia.com/index.php?p=2223>

¹⁰⁴ Yu Faming.

¹⁰⁵ Garcia, B.C. (2004) *Rural-Urban Migration in China: Temporary Migrants in Search of Permanent Settlement*, Institute for International Studies, University of Technology Sydney, Portal Vol. 1, No. 2 July 2004: 16.

¹⁰⁶ Solinger cited in Garcia p.19.

¹⁰⁷ Cranmer, Z. and Twose, N. (2003) *Responsibility Breeds Success*, Development Outreach – World Bank Institute.

¹⁰⁸ '*Nongmingong Zheng chengwei Zhongguo gongren jieji de zhuyao liliang*' [Migrant workers are becoming a major force in the Chinese working class], *Gongren ribao* [*Worker's Daily*], July 7, 2004 cited in Asian Labour News http://www.asianlabour.org/archives/002126.php

¹⁰⁹ Utting, P. (2003) Corporate Responsibility and Labour Issues in China: Reflections on a Beijing Conference, The Journal of Corporate Citizenship, Issue 10, Summer 2003, February 3, 2003. ¹¹⁰ Chan.

Part 3. Migration and the ILO Technical Programme

The transition from a 'centrally planned' to a 'market-oriented' labour market regime has led to the exclusion of large parts of the workforce. While the 1990s saw the Government commit to the re-employment of laid-off workers, the biggest employment challenge of this decade is the greater integration and protection of rural migrant workers.¹¹¹ The unprecedented scale of migration and the resulting over-supply of labour have led to the growth of the informal economy and a buyers' market that disregards employee rights. The efficiency at which the rural population can be transferred into decent, non-agricultural jobs will determine not only the structural transformation of China's economy but will also influence the efforts to reduce poverty and narrow socio-economic inequalities.

In China, the ILO supports Government's efforts in the development of an efficient, flexible and 'market-oriented' labour regime. The necessary functions of such a regime (a unified labour market, enforced labour standards, equitable training and employment opportunities, etc.) are essential to the realization of a harmonious and balanced society and of particular relevance to marginalized migrants. As one of China's most vulnerable and disadvantaged populations, the ILO shares a commitment to improving their protection and employability. In fact, one of the ILO's priorities for the coming year is to promote employment and reduce inequality and poverty with particular emphasis on facilitating, supporting and protecting surplus rural labour migration to areas.

The ILO will work to advance opportunities for decent work^{*} among the migrant workforce through its four strategic areas of *principles and rights at work, employment, social protection* and *social dialogue*. Advocacy, capacity building and partnering efforts are principally directed at influencing national policy, but the ILO Beijing office also pilots a number of interventions directed at migrants across the country and conducts studies on topics directly related to migration. The following will highlight the ILO's core competencies in safeguarding the legitimate rights of migrants and promoting their access to decent employment.

¹¹¹ Baur et al.

^{*} The ILO's Decent Work Agenda aims to promote opportunities for work that is productive and delivers a fair income, provides security in the workplace and social protection for families, offers better prospects for personal development and social integration, and allows freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

3.1. Standards and Fundamental Principles and Rights at Work

International Labour Standards

The promotion, ratification and implementation of International Labour Standards is at the cornerstone of the ILO's mandate. Rights and labour standards serve as an essential component in the international framework for ensuring that the growth of the global economy provides benefits to all.¹¹² More than just a set of principles to protect the world's workers from a 'race to the bottom', they serve as models of social policies that are "part of the complex and mutually supporting aspects of human freedom [that] make possible the construction of just and durable societies".¹¹³

The 2002 White Paper on Labour and Social Security states that China's Government "values the experience of other countries in formulating and implementing labour standards, and, in time, will accede to relevant international labour conventions in line with the actual conditions of its economic and social development".¹¹⁴ However, irrespective of their stage of development or whether they have ratified the conventions in question, ILO member states must uphold the following Fundamental Principles and Rights at Work: the freedom of association; the elimination of forced labour; the abolition of child labour; and the elimination of discrimination in the workplace.

China's relatively progressive labour legislation has recently seen a proliferation of regulations designed to protect its massive rural migrant workforce, who until the turn of the century were practically secondary citizens in the eyes of the law.

At the international level, the existing labour standards on migration are summarized below, but (a) are not applicable to internal labour migration; and (b) have not been signed by China. Nevertheless, certain articles demonstrate how the nature of migration within China is relatable to that of international migration.

- Convention 97 provides equality of treatment between migrant workers and nationals in four areas: living and working conditions, social security, employment taxes and access to justice;
- Convention 143 provides protection for workers in abusive situations (including 'irregular' workers) and reaffirms the basic human rights of *all* migrant workers, regardless of their status;
- The draft 'Multilateral Framework on Labour Migration' sets out a series of guidelines on decent work, international cooperation on migration, capacities for collecting and processing information, effective migration management, the protection of migrant workers, the prevention of abusive practices, the migration

¹¹² ILO website <http://www.ilo.org/public/english/standards/norm/introduction/index.htm>

¹¹³ Langille, B. (2005) *What is International Labour Law For*? International Institute for Labour Studies: 21. <<u>http://www.ilo.org/public/english/bureau/inst/download/langille.pdf</u>>

¹¹⁴ The Information Office of the State Council (2002) *Government White Paper on Labour and Social Security in China*.

process, the integration and social inclusion of migrant workers, and the development aspects of migration.

However, China has ratified 24 ILO conventions, reflecting China's commitment to protecting its workforce as well as its further integration into the global community. Some of those conventions are particularly relevant to the rights of migrant labourers, for example:

- Convention 122 on Employment Policy requires governments to adopt employment policies that promote full productive and freely chosen work. In order to ensure that all persons benefit, the policy should target those groups that are at greatest risk of unemployment and poverty. China has ratified this convention and has adopted a proactive employment policy, which among other groups targets migrant workers (refer to Circular 36). Convention 122 also requires member states to ensure that consultations on employment policies are "held with representatives of the persons affected". In China, however, there is little evidence that migrant groups have participated in any such discussions.¹¹⁵
- **Convention 167** on Safety and Health in Construction is particularly significant to migrants, who make up approximately 80% of China's construction workforce. The ILO is also currently supporting the ratification process of **Convention 155** on Occupational Safety and Health.
- In January 2006, the Chinese leadership ratified Convention 111 on Discrimination which, among other protections, prohibits discrimination on the basis of social origin. As an institutional barrier to the application of this ILO core standard, the *hukou* system is at odds with the adoption of this convention. The Government now has one year before Convention 111 goes into effect and one more year to implement it after which they will have to demonstrate how they are working to eliminate the disparities caused by the *hukou* system. The ILO is now promoting understanding of C.111 among policy makers and social partners.

The ILO has programs to support the implementation of all these conventions.

In reality, national and international labour standards suffer from inadequate implementation and enforcement (section 2.3). The ILO believes that improved job safety and security will lead to higher productivity and profitability for enterprises, but also acknowledges the Government position that reforms must take place in line with the country's socio-economic development. Informal employment that does not offer rights and protection should not be stamped out, but instead given support to gradually reduce the vulnerability of the enterprise and its workers.

¹¹⁵ CEACR: Individual Observation Concerning Convention No. 122, Employment Policy, China http://www.ilo.org/ilolex/gbe/ceacr2005.htm

ILO CP-TING Project

The ILO 'Project to Prevent Trafficking in Girls and Young Women for Labour Exploitation within China' (CP-TING) links the one of the fundamental rights at work, child labour, with certain aspects of employment promotion.

Because of the clandestine and irregular nature of much of China's rural-urban migration, the CP-TING project, in close collaboration with the All China Women's Federation, is working to establish cheap, fast and transparent labour migration channels for young migrant women. Using lessons learned from an ILO-IPEC trafficking project based in the Mekong sub-region, CP-TING has developed models to help prevent girls and young women from being trafficked into the entertainment industry or other unacceptable forms of work. Based on the outcomes of the following strategies employed at the local level – in both sending and receiving provinces – the CP-TING project seeks to influence the national policy framework:

- Warning girls and young women of the dangers of unprepared and ill-informed migration, and encouraging their direct participation in creating local solutions;
- Reducing the school drop-out of girls under 16 years to improve their employability;
- Working with workers' and employers' organizations to offer decent jobs to migrant girls/women (aged 16–24);
- Promoting managed migration for employment purposes, including bilateral cooperation agreements between sending and receiving provinces; free information and job placement services targeting prospective migrant workers; supervision of recruitment and contracting agencies for migrant workers;
- Raising awareness of the risks of trafficking and HIV/AIDS, protection measures and legal literacy in pre-departure life skills training to prospective migrant girls (aged 16 and over) and young women;
- Sex and age disaggregating and fully analyzed data relevant to migration to support focused policy initiatives;
- Improving access in urban areas to social services for female migrants in need;
- Documenting lessons learned from pilot projects to improve policy frameworks at national, provincial and local levels.

As of the end of 2005, progress on supporting policy development and outreach had been made in the following areas:

- *Conceptual Clarity*: A document on the core messages of the project was developed to support advocacy on labour and safe migration.
- *Support Structure:* High-level and multi-disciplinary national and provincial steering committees have been established.

- *Education Policy & Trafficking:* Anhui Province has integrated trafficking into its school curriculum and the National Ministry of Education is interested in replicating this practice.
- Migration Policy & Trafficking: The Pan Pearl River Delta Agreement refers to trafficking prevention; and a paper on technical inputs on safe migration was developed and discussed during a multi-partner meeting in Changsha in December 2005;
- *A National Plan of Action*, which received the input of the CP-TING project and its partners, is under preparation. The current draft includes prevention and sections on education and safe migration.

Progress has also been made in the following areas:

- *Research*: In all provinces, qualitative research is being undertaken to determine the needs of girls and young women and to explore the migration dynamics from their perspective.
- Direct Assistance: Starting at the beginning of 2006 in all five provinces, a specific number of girls will receive regular help during a longer period of time. These interventions involve awareness-raising and educational support for girls between 10 and 15, and safe migration and employment support to girls and young women aged 16 to 24. Such interventions will be combined with participatory monitoring to assess impact and identify modules to be replicated.
- Awareness-Raising: To raise awareness of trafficking, media coverage has been improved, with over 200 pieces on TV, radio and in newspapers on project-related trafficking prevention work. In addition, several activities have been conducted in the pilot cities and counties. Examples include:
 - A 'Race against Trafficking' in which 3,000 government officials participated;
 - A law study event on trafficking in 20 migrant cities reaching out to hundreds of thousands of migrant families;
 - Fundraising events within the private sector that enabled migrant girls to return to school;
 - Speech-writing contests among youth at risk of trafficking;
 - Interviews with girl victims of trafficking that were broadcasted to an audience of 5 million people;
 - Multiple advocacy and awareness raising events on International Migrants' Day, Women's Day and Children's Day.
- *Financial Contributions*: The RMB 5 million collected by local governments is an indication of the effective local resource mobilization and involvement.

3.2. Employment Promotion

Despite high economic growth rates, the Chinese economy has been unable to create enough new jobs. Low employment elasticity has led to high rural unemployment and underemployment, rising urban unemployment, and contributed to the growth of the informal economy. In addition to the number of unemployed, the transition of the surplus rural labour force (estimated at between 150 and 180 million) and new entrants to the labour force (10 million each year) mean that an estimated 23 million job openings are required each year. Given these challenges, it is hardly surprising that the Vice-Minister of Labour and Social Security, Wang Dongjin, believes that "the ILO should place focus on employment promotion as the key to poverty eradication and decent work."¹¹⁶

Employment Policy

The ILO supports employment policy development through two channels. In the past year, a number of national and international experts, as well as the tripartite constituents, were invited to comment on the draft of the Employment Promotion Law and the associated legislation. The Employment Promotion Law takes into account the needs of migrants in areas ranging from access to employment services and vocational skills training to the protection of migrants' legal rights and interests in receiving areas.

In addition to technical advice, the ILO also commissioned a number of studies and held workshops to discuss their findings. The working conditions of migrants were at the center of many of these discussions, particularly "Flexible Employment in China" and "Decent Work, Employment and Poverty Reduction in Urban China".

SIYB Programme

Of the various employment promotion strategies designed to generate more and better jobs (e.g. skills training, SME development, employment services), the ILO Beijing office's most extensive undertaking is the '**Start and Improve Your Business'** (SIYB) programme. Based on an existing model that has proved successful around the world, SIYB training provides would-be entrepreneurs with short, modular, material-based courses that rely strongly on participatory training and action learning. After a series of successful piloting programmes, the third phase of the SIYB China programme will be directed at migrants employed in social services, envisioning a series of business startups in the value chains of education and healthcare. In terms of policy environment research and new product development, the SIYB programme has also carried out a number of other activities related to the provision of start-up training to migrants:

- An analysis of the intrinsic demand of migrant workers for entrepreneurship development services was carried out among migrants in Chengdu. As the first such survey of its kind, it added a new dimension to the data available on migrant profiles;
- A study of the institutional barriers rural migrants face when starting business in towns and cities, revealing inconsistencies and recommending best practices;

¹¹⁶ People's Daily Online, June 7, 2005, statement from the International Labour Conference (from ILC media coverage).

- SIYB sent their project staff to study the experiences of a small Ministry of Finance project that funded start-up training for migrants;
- A TV soap opera is being prepared as a mass-media based campaign to sensitize and build interest about start-up training among migrants.

Local Economic Development

While local planning and implementation has been practiced for many years in China, in 2006 the ILO plans to step up its work in the promotion of **Local Economic Development** strategies to boost decent working opportunities in China's smaller towns and cities. Creating more and better jobs in these areas will allow for the local transfer of the population – rather than forcing inter-provincial migration to large cities that are already crammed – and reduce some of the geographical disparities.

Based on action research, the input of various national and international experts, and a validation exercise in a number of cities across the country, the ILO and the Institute for Labour Studies have collaborated on a LED Manual for China. These materials consider how LED practices can be improved and made more effective by giving more emphasis to participation, open discussion, inclusiveness and the better and more coordinated development and implementation of local economic and social development plans and activities, thereby enhancing local institutional development and capacities, and the communication, coordination, and cooperation among local stakeholders in the context of improved local governance.

3.3. Social Protection

The ILO seeks to guarantee more social protection at a time of major structural adjustment in China. The social protection sector incorporates a range of issues, primarily social security, occupational safety and health (OSH) and HIV/AIDS in the workplace; issues that directly affect migrant workers, and especially the floating population. The ILO's efforts in these three areas are discussed here in more detail.

(1) While China's urban residents can now enjoy a guaranteed minimum standard of living and other welfare benefits, financial and institutional obstacles prevent the extension of protection to the most vulnerable populations, e.g. the rural poor and the floating population. In recent years, the Government has made substantial efforts to further reform and improve the social security system and the ILO has been providing advice and assistance on policy issues including the revision of social security legislation, social security budgeting, implementation of pilot programmes and unemployment insurance.

(2) The ILO's close technical co-operation with the Chinese constituents in the field of OSH has focused on the promotion of relevant ILO Conventions*, the development of national action plans and programmes in hazardous areas (coal mining, chemical safety and construction) as well as capacity building on OSH information systems and state inspectors' training. Such efforts are having an immediate impact on migrants, who are prevalent in dangerous work. In 2003, migrant workers accounted for 80% of the deaths in mining, construction, and chemical factories. A more recent Ministry of Health study showed that around 90% of patients suffering from workplace related diseases are migrant workers.¹¹⁷

(3) Combating HIV/AIDS and mitigating its impact on the world of work is a relatively new ILO commitment. The ILO has developed a Code of Practice that contains fundamental principles for policy development and practical guidelines to educate about the disease and contend with stigma and discrimination. Migrants are a key target group of a planned ILO/USDOL/MoLSS project that will address policy issues related to HIV/AIDS at the workplace, strengthen the capacity of the MOLSS and the CEC as well as their local counterparts, and carry out behavioral change communications among workers. In addition, an ILO/UNAIDS PAF project will work with the tripartite constituents to promote HIV/AIDS prevention in the workplace in Guangdong Province, the destination of one-third of all of China's registered migrants.¹¹⁸

^{*} China ratified the Chemicals Convention (170) in 1995 and the Safety and Health in Construction Convention (167) in 2001 and the Occupational Safety and Health Convention (155) is currently in the process of being ratified. ¹¹⁷ 'Occupational diseases haunt migrant workers', *China Daily*, February 17, 2006.

<http://english.gov.cn/2006-02/17/content 202437.htm>

¹¹⁸ Sutherland: 14.

3.4. Social Dialogue

Social dialogue is a strategic objective in its own right, as well as a means of achieving all of the ILO's objectives. Social dialogue incorporates all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. Through consensus building and democratic involvement among these main stakeholders, successful social dialogue structures and processes have the potential to resolve important economic and social issues, encourage good governance, advance social and industrial peace and stability, and boost economic progress.¹¹⁹

Given China's current climate of low labour security, poorly enforced legislation, labour shortages and rising numbers of labour disputes, social dialogue can play a key role in establishing a cooperative climate, maintaining social stability and promoting decent work. By ratifying Tripartite Consultation Convention (144), China's Government committed to consult with employers' and workers' representatives at each stage of ILO standards-related activities. This commitment to tripartism guarantees a forum to debate fairly the challenge of balancing equity and efficiency. In addition to the ILO convention, the 2001 MoU with MoLSS demonstrates a willingness to accept technical support on social dialogue, outlining the following areas for cooperation:

- 1. Assistance in the enhancement of tripartite consultation mechanisms at central and provincial levels;
- 2. Promotion and improvement of the enterprise collective bargaining system;
- 3. Assistance in the improvement of labour contract legislation and collective contract practice;
- 4. Promotion and improvement of the labour dispute settlement system, and enhancement of the capacities of labour arbitration personnel;
- 5. Assistance in the capacity-building of social partners.

To date, support has taken to form of ILO workshops, study tours and technical consultancy. Though migrants have not been singled out for particular attention, as one of the most vulnerable groups and with an increasing presence in the ACFTU (section 2.6), they will certainly benefit from the ILO's active and constructive technical cooperation in this field.

¹¹⁹ ILO website <<u>http://www.ilo.org/public/english/dialogue/themes/sd.htm</u>>

Recommendations

In just a few years, the Government and its partners have introduced a multitude of interventions designed to facilitate the movement of migrants, address their vulnerability and improve their employability. However, the legislation is not adequately enforced and the remaining institutional barriers of the *hukou* system and other urban-biases continue to limit the transition of the surplus labour force and the social mobility of migrants. It is accepted that economic growth is a precondition to improving conditions for migrants, but simultaneous measures also need to be taken to curb their exploitation and to enhance the potential of migration in realizing a harmonious and balanced society.

- There is a definite need for more accurate and up-to-date data in almost all aspects relating to migration. Without the right information, it is impossible to draw good conclusions and propose meaningful policies and interventions;
- The multi-dimensional features of migration require enhanced coordination between government agencies. Information on best practices and lessons learned should also be shared more widely between these government bodies, provincial governments and international partners;
- At present, legislation and services are predominantly only targeted to registered migrants; the larger, more vulnerable, floating population in the informal economy requires more access to such protection;
- More targeted policies and programs are needed to support female migrants a particularly vulnerable group;
- The acquired human, social and financial capital of migrants needs to be maximized to treat the long-term development needs of rural communities;
- Strategies to develop and diversify the rural economy (such as LED) need to be adopted, allowing migrants and would-be migrants to find better jobs and investment opportunities in the locality;
- In order to establish safer channels of migration, bi-lateral agreements (between sending and receiving provinces and between employers and groups of workers in sending areas) should be piloted;
- Employment services providing job information and counseling should be made more widely available to migrants and potential migrants in sending and receiving areas;
- In order to lessen the vulnerability of migrants to trafficking and exploitation, predeparture training and basic-life skills courses should be developed further and made more widely available;
- For migrants to compete in the formal labour market, discriminatory employment policies endorsed by local governments should be abolished;
- Vocational training courses and programmes should be developed according to the needs of employers. More communication is needed between the local authorities in sending areas, vocational training institutions and employers from state-owned and private enterprise;
- The quality of education available to all children affected by migration in sending and receiving areas – should be improved;
- The ACFTU should strengthen its functions and demonstrate that it truly represents the rights and interests of migrant workers;

- In terms of healthcare, more migrants should be incorporated into the social security and social insurance schemes, OSH regulations need to be implemented and enforced, housing conditions for migrants must be improved, and information and services must be targeted to reach migrants;
- The legal system, particularly regarding labour disputes, must be standardized and made more accessible to migrants.

Agency	Focus Area	Project/Activity	Key Objectives	Coverage	Partner Institutions	Timeframe
ILO	Promoting International Labour Standards	Advocacy, training and capacity building on labour rights for provincial labour	Promote understanding for policy development and action among policy makers and social partners of Convention 111 on Discrimination - in regards to discrimination on the basis of social origin – which directly affects migrants.	National	MoLSS	Ongoing
	d	departments and social partners	Support inter-ministerial coordination on OSH policy and inspection (the ratification process of Convention 155 on Occupational Safety and Health will indirectly benefit migrants	National	SAWS, MoH, WHO	Ongoing
	HIV/AIDS in the Workplace	ILO/USDOL Workplace Education Program	Provide policy advice; strengthen the capacity of MoLSS, CEC (Employers' Organization) and local counterparts; and carry out BCC among workers. (targeting migrants among others.)	National	USDOL/MoLSS/ CEC	2006
		ILO/UNAIDS (PAF) Project	Mobilize and sensitize tripartite constituents to the campaign on HIV/AIDS in the workplace – in particular among migrant workers	Guangdong	UN/AIDS	2006
		Pilot Projects	Collaborate with China Railway Engineering Corporation to deliver training to its employees, almost 500,000 of who are migrants, and pilot training on a construction site to develop workplace policy.		CEC	2005-2006

Appendix 1. Migration initiatives carried out by the UN and other international organizations in China

Trafficking and Safe Migration	CP-TING Project	Promote safer migration channels for girls and young women by: improving their employability by reducing the drop-out rate; working with social partners to provide them with decent work opportunities; educating them on the risks of trafficking, legal literacy, HIV/AIDS, etc.; improving the employment services and social services available to them; promoting bilateral migration agreements among provinces; and conducting migration research.	Anhui, Henan and Hunan (sending provinces), and Guangdong and Jiangsu (receiving provinces)	Women's Federation/DfID China	2004-2008
	TICW (Trafficking in Children and Women) Project	Prevent trafficking through a comprehensive, integrated and multi- dimensional set of interventions. This project served as the basis for the CP-TING project outlined above.	Yunnan	WF with funding from DfID South East Asia	2000-2008
	Forced Labour Project	Strengthening legal and policy framework; training law enforcement officers and building capacity to manage migration process; monitoring recruitment agencies for prevention purposes; promoting international cooperation in migration management	Jilin, Fujian, Zhejiang	MoLSS, MoPS, State Council, NPC, WF	2005-2006
Employment Promotion	SIYB	Piloted the SIYB program among migrants; conducted studies on the demand of migrant workers for entrepreneurship development services and the institutional barriers faced by migrants when starting a business; preparing TV soap opera aimed at promoting start-up training.	Chengdu and various other pilot cities	MoLSS/DfID	2005-2006

	Supporting the development of training and employment services for migrant workers	Enhancing policy to provide better employment services and training to migrant workers in both sending and receiving areas through a review of the current services, introducing good practices in pilot cities including access to job information and		MoLSS	Proposed
	Promoting Local Economic Development	training, and protection of migrant interests. Materials validation exercise in 6 cities to measure the interest and value of the LED Manual	6 cities (tbc)	ILS (MoLSS)	2006
Social Security (Pension Reform)	Various	Research, pilot testing and policy advice to extend pensions to excluded groups including migrants	National	MoLSS	2002-2005
Integration of Rural and Urban Labour Market Reform	Conferences, research and discussions	Research, analysis and forum debate on the legal, economic, employment and social implications of integration on migrants and receiving area labour institutions	National	MoLSS / ACFTU / CEC	2003-2008
Rights Protection	Promoting CSR	Advocacy and awareness raising through discussions and conferences.	National		Ongoing
Data Collection and Analysis	Research, analysis and capacity building	Working with national institutions to enhance their capacity in collecting and analyzing labour market information.	National	NBS, MoLSS	Ongoing
		Conduct research on issues directly related to migration (e.g. urban poverty and reducing unemployment, the extension of social security to urban informal workers and the rural population, and the development impact of remittances on migrant-sending communities).	National	MoLSS affiliated Institute for Labour Studies & Institute of International Labour Studies	Ongoing

UNDP	Employment Promotion	Supporting the development of training and employment services for migrant workers	Collaborate on strategies to enhance vocational training and employment services for migrant workers through a variety of means including: advice on policy and mechanisms, research and analysis, training packages, and the dissemination of materials.	National, Service centers in five pilot cities	MoLSS	Proposed
	Social Services and integration	Integrating migrants into small towns	Policy recommendations regarding the integration of a service system for migrant workers into the regular urban public administration system. These recommendations will be based on research, pilot testing, policy drafting, capacity building of government officials, exchange and study tours, and technical support to improve working facilities in three cities.	National; and experimental interventions in three pilot cities (small towns)	NDRC	Proposed
	Representation	ACFTU Project		Xiamen, Fujian Province	ACFTU/ILO	2002-2005
	Participation	Promoting Participation of Migrant Workers in Urban Grassroots Governance	Developed guidelines on direct elections in urban neighborhood committees and promoted the participation of migrants in the elections and decision-making processes.	Nanjing, Jiangsu Province	MoCA	2003
	Trafficking	UN Inter-Agency Project on Anti- Trafficking in the Mekong Sub- Region	Support efforts to review policy, conduct research, train anti-trafficking personnel, exchange information and forge partnerships.	National	NWCCW	2006

	Employment Promotion	Small Town Development Project	Make small rural towns attractive for migrants by providing them with improved employment services and comprehensive vocational training. A manual was also published and distributed to enhance migrants' understanding of their rights.	National	Small Town Center, NRDC	2001-2005
	HIV/AIDS	Safe Mobility and HIV/AIDS Prevention for Migrants	Empower migrants through IEC, HIV/AIDS awareness raising and skills building; enhance multi-sectoral collaboration and capacity of local government to reach migrants; mainstream HIV/AIDS into local development.	Northeastern China (Heilongjiang, Jilin and Liaoning Provinces).	National Population and Family Planning Commission (NPFPC)/ UNDP REACH Program	Ongoing
	Various	Research Activities	Research and policy recommendations on the unification of the urban and rural labour markets including social security for migrants, covering accidents and medical care; strengthened basic social services for migrant families; and the elimination of discriminatory practices.	National		Ongoing
UNESCO	Urban poverty alleviation and rights protection	Together with Migrants Project	Integrates migrants (particularly young female migrants) into the urban social and economic fabric through services including life-skills and basic skills training, vocational training, career counseling, family planning,	Kunming,	Chinese Academy of Social Sciences, various NGOs, institutes and local government bureaus	2002-2007
	HIV/AIDS	Various	HIV/AIDS prevention among migrants in five pilot sites	Dalian, Chifeng, Kunming, Diqing, Jingpo area	Tsinghua University	2006-2007

	Support services for the children of migrants	Various	Support to migrants' children in need	7 pilot sites in Beijing and Chengdu	Beijing and Chengdu Working Committee on Children and Women	2005-2006
UNIFEM				Beijing, Sichuan and Guangdong	The Center for Women's Law Studies and Legal Services of the School of Law, Beijing University; WF in Guangdong and Sichuan	2006-2007
		Policy intervention for female migrants to take part in the social insurance	Undertake a study on the mobility features of women migrants and social insurance policy; improve the gender awareness of public officials, community administrators, and social workers; and disseminate research outcomes and advocate positive proposals to policy-makers	Yangzhou, Jiangsu Province	Yangzhou Party School; Yangzhou Committee of CPPCC; Yangzhou Women Research Center	2006-2007

WHO	Developing affordable and equitable health care models	(Expanded Program on Immunizations),	(1) EPI will develop IEC strategies to increase demand for childhood immunizations among the hard-to-reach populations, including the children of migrants (2) The TB Control program encourages universal free TB healthcare. Migrants, as potential carriers of TB from the high-prevalence rates of rural areas to the urban areas and inhabitants of cramped and poorly ventilated dormitories, are specifically at risk. (3) A considerable proportion of the high-risk population (particularly CSWs and women in the entertainment industry) are migrants.	National	Ministry of Health	Ongoing
	OSH		Assistance in the development of OSH technical standards and guidelines	National	SAWS/ILO	Ongoing
UNICEF	Protect the rights of children affected by migration and ensure them equal access to basic services and opportunities for overall development	Children Affected by Migration project	studies on the situation of children affected by migration and develop strategies to address the challenges in sending areas advocate and raise-awareness of successful models and interventions	large city in Jiangsu and Hebei province plus some interventions	NWCCW, the Beijing WCCW and other municipal WCCWs; research institutes	2006-2010
	Healthcare	Projects in the areas of Health and Nutrition; Maternal and Child Health; and Disease Control/ Immunization	Reduce the disparities of access and outcomes faced by the migrant population in terms of H&N and MCH; and improve access to immunization for migrant children. The outcomes of these pilot projects and operational research will be used to support a review of national policy and guidelines.	Cities with large migrant populations	Ministry of Health	2006-2010

Education and Child Development	Educational Disparities	In every aspect of policy, planning and monitoring, children affected by migration - whether in urban or rural areas - are the primary stakeholders of the program	National	Ministry of Education	2006-2010
Child Protection	Training	Adolescents left behind in the growing migration from rural to urban areas are taught life skills. Through a strategy of peer education, this approach demonstrates the benefits of empowering out-of-school adolescent children with critical skills related to leadership, decision-making, protection against AIDS, and drug abuse, adolescent health care and prevention, and knowledge of children's and women's rights.			2005
Child Protection	Monitoring		National		2005
Discrimination	UNICEF-assisted pilot projects	The two projects addressed the needs of	Wuxi and Shijiazhuang		2005
Trafficking	IEC	Development of communication strategies for the prevention of trafficking			2005

World Bank	Employment Promotion and Access to Social Services		Though still at the concept stage, this project aims to assist the Government in developing a coherent policy framework and institutional structure for training and labour market interventions. It will involve skills development for migrant workers; employment services promotion; rights promotion for migrant workers (including access to employment channels, labour contracts, minimum wage and OSH); and a policy component that incorporates migrants' access to housing, healthcare and education in urban areas.		MoF	Proposed
	Access to compulsory education	Ensuring access to compulsory education for rural migrant children	A TA project that aims at supporting the Department of Basic Education of MOE to carry out research and pilot programs to address the education needs of migrant children	National	MOE	Ongoing
	Workplace protection and social services for migrant workers	Strengthening workplace protection and social services for migrant laborers in the urban construction sector	A TA project that supports the promotion of worker right protection and strengthen MOC's capacity in urban construction management and monitoring capacity. The project will support needs assessment, institutional development in the supervision and regulation of urban construction sector, provide training to program practitioners, officials legal advocacy, and service providers, and develop a monitoring and evaluation system.	National	MOC	Ongoing

	Poverty reduction	Sustainable development in poor rural areas	A part of a series of poverty alleviation programs, this proposed project aims at increasing income of the poor in 28 counties in western and central provinces through an integrated and innovative program. The project will support CDD village development, inclusion of civil society, and assistance for rural migrants in urban areas.		LGOPR	Proposed
	Research and Analysis	Various	Study on integration of the urban and rural labour markets included labor migration analysis. Several major analytical programs concerns migration, including a Labour Market Development analytical program (NDRC), Poverty Assessment (SC leading group for poverty reduction), pension analysis (MOF and MOLSS), social safety net analysis (MOCA), social service provision, financing of compulsory education, and rural health, etc.	National and local		Ongoing
DFID	Various		Support for 2005 Conference on Internal Migration; and the ILO's SIYB and CP-TING projects	Various	Various	Ongoing
OXFAM HK	Rights Protection	Support to Labour Centers	centres to protect migrant workers' rights. The centres house a hotline and services for legal enquiries, raise awareness of rights, provide vocational and OSH training	Include Qingdao, Changsha, Shenzhen, Guangzhou and Chongqing	Various	Ongoing

		OHK has assisted various local NGOs by supporting a conference on informal worker issues; the establishment of a community service center; research and policy recommendations on the rights of domestic workers; services to enhance the rights awareness of migrant women workers in the garment industry, etc.	National	Various	2004-2005
Ford Foundation	migrants in the areas of education, skills development, health, social security, etc.	Grants of varying sizes go towards research and experimental interventions to improve the educational quality of schools for migrant children; HIV/AIDS and reproductive health peer education in factories; services for migrant workers injured in the workplace; research and pilot interventions to provide social assistance; research and outreach activities in order to build a support network for migrant labor; and activities to enhance migrant workers' abilities to organize themselves.		Various schools, universities, vocational training institutions and NGOs	2004-2005

Appendix 2. Further Reading

Brown, G.D., and O'Rourke, D. (2003) Experiments in Transforming the Global Workplace: Incentives for and Impediments to Improving Workplace Conditions in China, International Journal of Occupational and Environmental Health, Vol. 9, No 4, October/December 2003.<http://nature.berkeley.edu/orourke/PDF/IJOEH ORourke.pdf>

Deshingkar, P. (2005) Maximizing the Benefits of Internal Migration for Development, Conference on Migration and Development in Asia, Lanzhou, 2005. <http://www.iom.int/chinaconference/files/documents/bg papers/04032005 bg.pdf>

Deshingkar, P., and Grimm, S. (2005) Internal Migration and Development: A Global Perspective, No. 19 - IOM Migration Research Series and Overseas Development Institute, February 2005.

<www.livelihoods.org/hot topics/docs/Internalmigration final.doc>

'Maligned and Misunderstood: China's Migrant Labour', China Economic Quarterly, Volume 9, Issue 3, Q3 2005. <www.theceq.com>

Meiyan Wang and Fang Cai (2005) Local vs. Migrant Workers: Employment Opportunities and Wage Differentials in Urban China, CESifo Economic Studies Conference on Understanding the Chinese Economy, June 2005 <www.cesifo-group.de/link/Wang-uce05-s.pdf>

Migration and Development in Asia: A Regional Conference held in Lanzhou, China The website http://www.iom.int/chinaconference/index.html contains downloads of all the background papers including analyses on the relationship between internal migration and poverty, gender and health.

Ping, H. and Pieke, F. (2003) China Migration Country Study, Regional Conference on Migration Development and Pro-Poor Policies in Asia, Dhaka, 2003 <http://www.livelihoods.org/hot topics/docs/Dhaka CP 3.pdf>

Ping, H. and Shaohua, Z. (2005) Internal Migration in China: Linking it to Development, Conference on Migration and Development in Asia, Lanzhou, 2005. <http://www.iom.int/chinaconference/files/documents/bg papers/China.pdf>

Report on Employment in China – Integration of Urban and Rural Employment (Blue Book on Employment), Institute for Labour Studies, Ministry of Labour and Social Security, December 2005.

Xiang, B. (2004) Migration and Health in China: Problems, Obstacles and Solutions, Research Paper Series no.17, Asian Metacentre for Population and Sustainable Development Analysis, National University of Singapore.

<http://www.populationasia.org/Publications/ResearchPaper/AMCRP17.pdf>