

Promoting Decent Employment for Rural Migrant Workers



MOHRSS

Ministry of Human Resources
and Social Security



International Labour Office

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First published 2011

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Employment Policies Report – China: Promoting Decent Employment for Rural Migrant Workers

978-92-2-125659-5 (print)

978-92-2-125660-1 (web pdf)

ILO Cataloguing in Publication Data

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Printed in China



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Foreword

The ILO has been involved in Chinese employment policy reforms since the beginning of the era of economic reform and opening up. The ILO active labour market policy project launched in China in the early 1990s, for example, gave a timely impetus to the establishment of public employment services in the country, which benefited both urban and rural labourers. The signing of a Memorandum of Understanding (MoU) between the Ministry of Labour and Social Security – now the Ministry of Human Resources and Social Security (MOHRSS) – and the International Labour Office (ILO) in 2001 defined a framework for cooperation based on China’s national priorities and the ILO’s Decent Work Agenda. One key outcome of the MoU is the production of detailed accounts of China’s employment policies to promote full and productive employment. The Asia Employment Forum jointly organized by the ILO and the Chinese government in Beijing in 2007, gave the initial impetus to write a series of booklets on Chinese employment policies. The publication of this series of booklets today is thus the result of the fruitful collaboration between the MOHRSS and the ILO to showcase China’s unique experience in economic restructuring and labour market adjustments over the period 1990–2010. *Promoting Decent Employment for Rural Migrant Workers* was written by the MOHRSS with editorial assistance from the ILO.

Since the start of the country’s reform process in the late 1970s, there have been significant changes in China’s economy. The country’s once planned labour market is giving way to a market-oriented system. These reforms have created a number of challenges, including rising unemployment (it is estimated that more than 10 million jobs need to be created each year), widening income inequalities, the need to develop high-skilled workers and the emergence of vulnerable groups – particularly those who face difficulty in finding work, but also rural migrant workers seeking jobs in urban areas.

Economic restructuring led to major shifts from State-owned enterprises to private firms as well as from agriculture to industry, in particular manufacturing. Agriculture’s surplus labour was transferred to industrial firms in urban areas, involving major population movements from rural to urban areas. But the Chinese household registration system (*hukou*) created a situation where workers were still registered as rural residents while they were living and working in urban areas. These workers did not enjoy any of the rights and benefits of urban residents, an issue widely documented, with consequences in terms of rising urban poverty and the emergence of a highly segmented labour market. Rural migrant workers simply did not have access to the range of services and labour market policies available for urban residents.

The large and increasing number of rural migrant workers, who contribute significantly both to increasing the income of rural residents through remittances and to the modernization of the country, has led the Government of China to address the specific challenges of this group so as to give them equality of opportunities and integrate fully the rural and urban labour markets. For the benefit of policy-makers and employment experts around the world, this unique experience in dealing with extremely large migration flows is described in detail in this booklet along with the lessons learnt from two decades of policy-making in China.



Introduction

For the first time in human history, the majority of the world's population now lives in cities. In the developing world, a massive population shift is taking place and many cities are struggling to cope with the influx of rural migrants. Clearly, much of today's urban poverty is yesterday's rural poverty displaced.¹ The major causes of the poverty for rural migrants may include the following:

- Migration without accessing employment services for information or guidance
- Migration without skills demanded by urban jobs due to lack of access to training or sufficient education
- Migration without social protection, in the form of medical insurance, employment protection, unemployment assistance, school for children, and affordable housing.

How can public policy create the conditions that will enable poor migrant workers to benefit from urbanization? This is the universal challenge faced by policy makers in many countries, especially developing countries. China's experience demonstrates that the reform of public policies, in particular labour market policies, constitutes one of the key guarantors of poverty reduction for rural migrant workers and their families.

In the past three decades, China, the world's largest developing country with a population of 1.3 billion, has experienced a rural exodus of unprecedented dimension as people looked for jobs and for a better future in urban areas. A special social group called *nongmingong* (rural migrant workers) has emerged. The term *nongmingong* mainly refers to workers whose *hukou* (household registration) remains in rural areas, but who either move to urban areas in search of a job, or are engaged in non-agricultural activities in their locality or elsewhere. Some of them only seek a seasonal job outside their hometown during slack seasons, while others permanently reside and work in urban areas. Hundreds of millions of rural labourers shifting to non-agricultural jobs have dramatically increased their opportunities and living standards, while meeting the demands of urban development. The large and increasing number of rural migrant workers has also created wealth for society as a whole, increased the income of rural residents through remittances and made a great contribution to the modernization of the country.

In recent years, the Chinese government has adopted a series of policies and measures, which proved to be very effective in improving economic and social conditions for rural migrant workers, safeguarding their legitimate rights and interests while promoting and enhancing their employment opportunities.

¹ ILO: *Promotion of rural employment for poverty reduction*. Report of the 97th Session of the International Labour Conference, Geneva, 2008



This booklet presents an account of the policies to promote rural migrant workers' employment and draws lessons from their main achievements and challenges that are worth sharing with policy-makers around the world. Some of the data is incomplete, which makes it difficult to conduct accurate statistical analysis. However, the data presented shows the broad trends as well as the rural migrant workers' employment policy framework.

Section one presents the history of migration policies in China since the 1950s, a profile of rural migrant workers today and the main consequences of internal migration for the country. Section two describes the policies and measures implemented between 1992 and 2008 to promote the employment of rural labourers. Section three provides some details on the support provided to rural migrant workers during and after the financial crisis. Section four concludes with the main achievements, challenges and way forward.



History and profile of rural migrant workers

Contrasted and evolving policies over time

As China is a developing country with a large supply of labour, the management of migration for employment has always had an important place on the policy agenda of the Chinese government since the People's Republic China (PRC) was founded in 1949. However, the orientation in policy and interventions has varied over time. When the Chinese government decided to regulate the conditions of migration and to find global solutions to the rural migrant workers' problems in line with the market-oriented reform in 1992, the economic and social context had undergone radical changes since the adoption of the planned economic system in 1950 and even since the economic reforms of the late 1970s. Three main periods of policy interventions concerning migration for employment can be distinguished:

From 'free migration' to 'strict migration control' policies (1949-1978) In the early years of the PRC, to support rapid industrialization, the State adopted policies on free migration to cities for rural residents, which resulted in a huge number of rural residents moving to work and live in cities. But during this period, agricultural productivity and employment opportunities did not increase and food shortages emerged in the cities. In response, China adopted in 1958 a policy of strict rural-urban migration control. As a result, a dual system involving a division between urban and rural areas was created and from the late 1950s to the late 1970s, China's urbanization stagnated, rural areas lost opportunities for rapid development and rural migrant workers' living standards remained generally low. By 1978, there were still 250 million people nationwide who could not get enough food and clothing to satisfy their basic needs, an issue definitely related to the above-mentioned problems.

From 'leaving the land without leaving the village' to 'leaving both the land and the village' policies (1978-1992) After the Third Plenary Session of the 11th National Congress of the Communist Party of China (CPC), a model of contracting out farm land for cultivation by rural households, known as "rural household contract responsibility system" was adopted, that significantly liberated and developed the rural labour force. As there emerged a surplus of agricultural products and rural workers, the number of enterprises in villages and towns suddenly increased. A huge number of farmers left the land to be employed by these enterprises, which created the employment pattern of rural workers "leaving the land but not the village". According to statistics, a total of 63 million people found employment in village and town enterprises from 1983 to 1988. In the late 1980s, with the deepening of the opening up and reform process in urban areas, there was a rapid economic development in eastern coastal areas which needed a huge number of workers. In the light of this, the State appropriately adjusted its policies, allowing farmers to enter urban areas to seek a job under the precondition that their identities

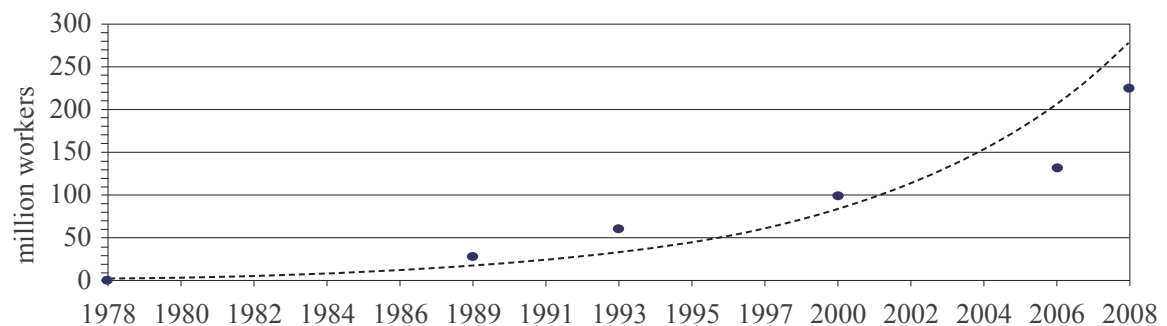


and the supply system for urban areas remain unchanged.² The number of rural migrant workers increased rapidly from less than 2 million in the early period of reform to 30 million in 1989.

From 'passive' to 'active' policies (1992- present) In 1992, the Chinese economy grew rapidly in line with a surging demand for rural migrant workers in urban areas. By the end of 1993, the number of rural migrant workers nationwide exceeded 62 million, doubling the figures already reached in 1989.³ In the middle of the 1990s, the employment situation in urban areas was serious with rural migrant workers seeking jobs in urban areas, new labour entrants, and laid off and unemployed workers waiting to be reemployed. In some cities, strict measures to control recruitment of migrant workers were adopted, resulting in a slow down in the growing number of rural migrants in the country. In some rural areas, migrant workers returned to their villages for a short period.

After 2000, especially following the 16th National Congress of the CPC, in order to comprehensively develop both urban and rural areas and to increase the income earning opportunities for farmers, the State adopted policies aimed at providing guidance for rural migrant workers seeking a job. In 2003 and 2004, the Chinese government issued two circulars, requiring local governments to improve the conditions for rural migrant workers to seek employment in urban areas and to step up efforts in management and services in this regard. This began a new development period for rural labourers with the total number of rural migrant workers almost doubling between 2004 and 2008 (see figure 1).

Figure 1 Number of rural migrant workers, 1978-2008



Source: Ministry of Human Resources and Social Security

Profile of rural migrant workers

Between 1995 and 2008, almost 15 million people left rural areas to move to urban areas each year.⁴ By 2008, 225 million workers, accounted for approximately 23 % of the working age population, were

² Under the planned economy, basic necessities were allocated and supplied by the government, food in particular.

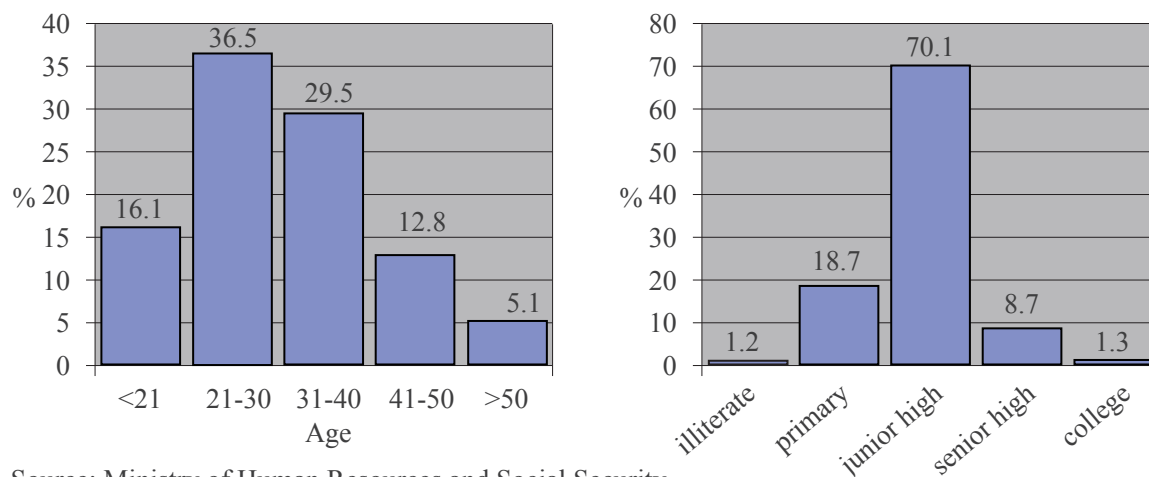
³ Zhang Xiaojian (ed.), *The Reform and Development of China's Employment*, China Labour and Social Security Publishing House, 2008, p.133.

⁴ Bruni M. and Claudio Tabacchi (2011), « Present and future of the Chinese labour market », CAP Paper n. 83, Università di Modena e Reggio Emilia, p.24.



migrants, of which about two thirds were men.⁵ Most migrants were young adults with a secondary education level (see figure 2). They were mainly employed in China’s eastern areas and were mainly concentrated in manufacturing and construction.

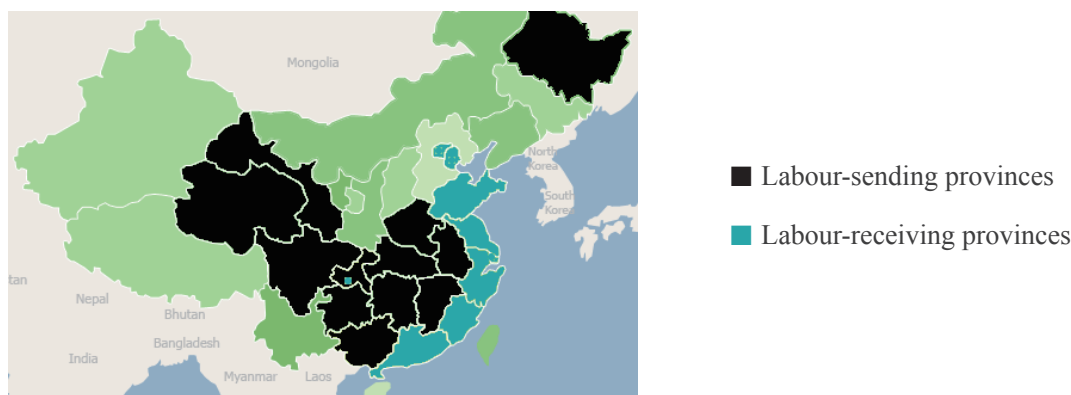
Figure 2 Distribution of migrant workers by age and by education level (2006)



Source: Ministry of Human Resources and Social Security

Between 2003 and 2008, the vast majority of inter-provincial migration flows went from the central and western regions of the country to the coastal provinces.⁶ Migration flows were heavily concentrated with the five provinces of Guangdong, Zhejiang, Jiangsu, Liaoning, and Shandong, and three cities - Beijing, Shanghai, and Tianjin – accounting for 92% of all inter-provincial migrants.⁷

Figure 3 Rural migrant labour-sending and labour-receiving areas



⁵ In 2006, out of a total of 131.8 million rural migrant workers, 84.3 million, or 64% are men and 47.5 million, or 36% are women.

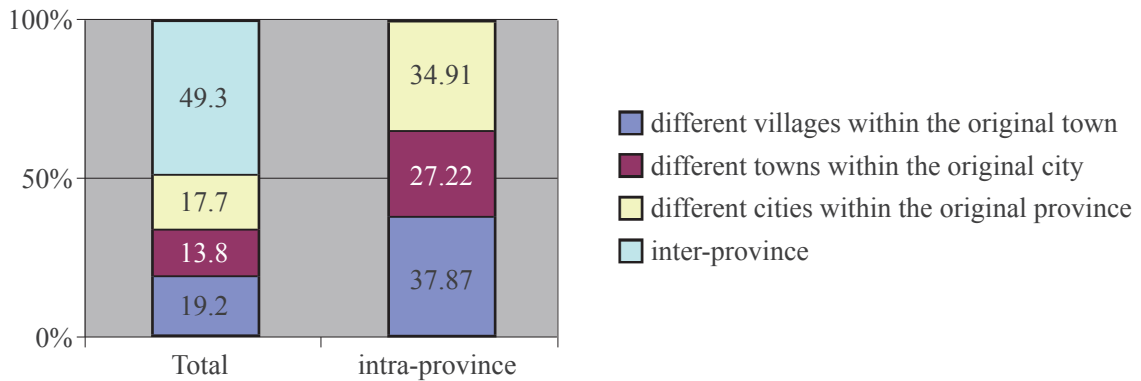
⁶ Sichuan, Anhui, Henan, Hubei, Hunan, Guangxi, Guizhou, Jiangxi and to a lesser extent Gansu, Heilongjiang and Qinghai and the municipality of Chongqing.

⁷ Bruni and al, *op. cit.*, pp. 20-21.



About half of all migrants moved within their own provinces from villages to larger towns and cities. The share of migrants employed in enterprises outside of their home province accounted for 49.3% in 2006.

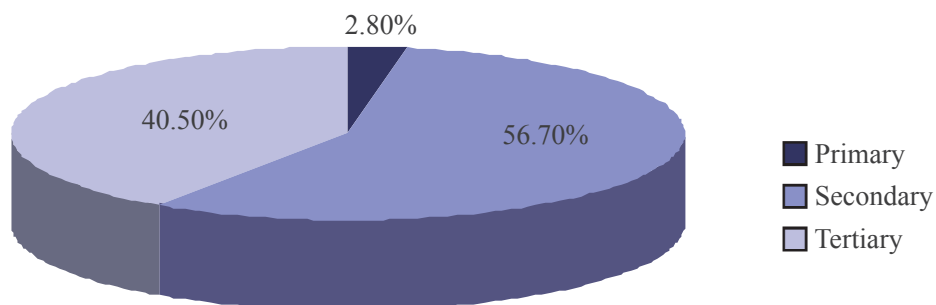
Figure 4 Distribution of migrant workers by migration type, 2006



Source: Ministry of Human Resources and Social Security

Migrants are mainly employed in manufacturing, construction and service industries. In 2006, 2.8% of rural migrant workers were engaged in the primary sector, 56.7% in the secondary sector and 40.5% in the tertiary sector. Rural migrant workers account for 68% of all processing and manufacturing workers and for 80% of construction workers; they account for 52% of all tertiary sector workers. But the proportion of rural migrant workers in industries varies in different regions. In 2004, a high percentage of rural migrant workers was employed in manufacturing in eastern areas (37.9%), while construction had the highest percentage in central and western areas, 30.1% and 37% respectively.

Figure 5 Current rural migrant workers' employment by sector, 2006



Source: Ministry of Human Resources and Social Security



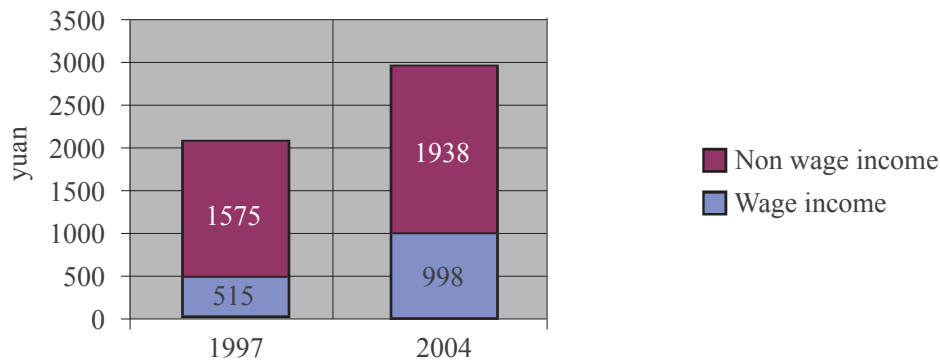
Consequences of internal migration flows for China's economy and society

Employment of rural surplus labour outside agriculture and in urban areas had a positive impact on the development of China's economy and society. Migration made a huge contribution to rural economic development and to the increase in the rural population's income.

Rural workers' income increased

According to Document No.1 from the Central Committee of the Communist Party of China and the State Council in 2004, the growth rate of agricultural income was lower than the average income growth of the country. Many farmers' income stagnated or even declined at that time.⁸ Farmers thus relied on other income sources and resorted to seeking employment as workers in village and township enterprises or in big cities. Rapidly, wages became an important source of farmers' income and contributed to an increase in their standard of living. According to official statistics, the average total income of rural migrant workers increased from 2,090 Yuan in 1997 to 2,936 Yuan in 2004, an annual growth rate of 5.8%. During the same period, the share of wage income in total income increased from 25% to 34% and the annual growth rate of wage income was 13.4% (figure 5).

Figure 6 Distribution of total rural migrant workers' income between wage and non-wage income, 1997 and 2004



Source: Ministry of Human Resources and Social Security

Structural transformation

With rural workers seeking jobs in urban areas, the proportion of agricultural employment rapidly declined and non-agricultural employment sharply rose. From 1978 to 2004, the share of rural

⁸ The Central Committee of the Communist Party of China (CCCCP), the State Council: Opinions about Several Policies on Increasing Incomes of Farmers (No. 1 (2004) issued by CCCPC), http://news.xinhuanet.com/newscenter/2004-02/08/content_1303656.htm.



employment in total employment dropped from 70.5% to 46.9%, with an annual rate of decline of 0.9%. As rural workers shifted to urban areas, land use was improved and large scale land cultivation was promoted which spurred a strategic adjustment in the structure of agriculture and the rural economy. From 1978 to 2004, the proportion of added value in GDP attributable to primary sector declined from 28.1% to 15.2%. In rural areas, added value from primary sector activities declined from 84.2% to 33.5% of the total, the proportion from the secondary sector rose from 14.3% to 51.7%, and from the tertiary sector, it rose from 1.5% to 14.9% of the total.⁹

Urbanization, industrialization and urban prosperity

The employment of a huge number of rural migrants triggered the rapid development of labour intensive industry, and the tertiary sector and urbanization. Between 1949 and 1978, China's urbanization rate rose from 10.6% to 17.9% with an annual average increase in urbanization of only 0.27%, indicating that urbanization was nearly static. The pace of urbanization gradually quickened from 1978, rising to 41.8% by 2004 with an average annual increase of 1%.¹⁰ The vast number of rural migrant workers not only quickened the pace of urbanization, but also provided surplus labour for the development of the secondary and tertiary sectors as well. Rural migrant workers became an important part of China's industrial work force and filled the gap in labour supply resulting from economic adjustments in urban areas. According to the MOHRSS, at present, dirty and difficult jobs in urban areas are carried out by rural migrant workers, who account for 90% of workforce in construction, cleaning, domestic services and services in restaurants. They have become an indispensable element in the operation of urban areas, contributing greatly to the economic prosperity and social development there. By providing an unlimited supply of labour willing to work at a subsistence wage, they have largely contributed to the Chinese economic miracle.¹¹

The key problems faced by rural migrant workers

Rural migrant workers were vulnerable workers because the necessary regulations and policies were not in place to accommodate their employment in cities. The *hukou* system restricted their entitlement to social welfare services and other benefits which are available for legal urban residents.

The uneven development and the growing inequalities between urban and rural areas also contributed to their vulnerability. The unbalanced development of transportation networks, and other infrastructure made it difficult for rural migrant workers to obtain accurate information, which limited their free

⁹ Information is collected by the MOHRSS.

¹⁰ Information was collected by the MOHRSS.⁷ Bruni and al, op. cited, p. 20-21.

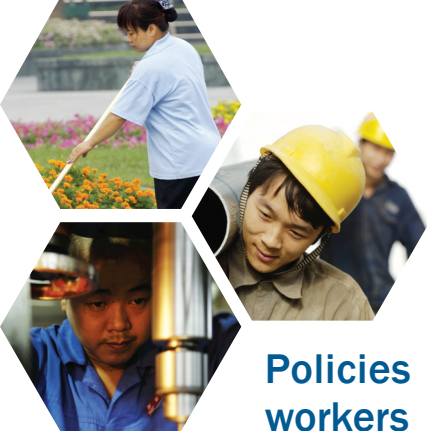
¹¹ Cai Fang, Du Yang and Wang Meyan (2009), « Migration and labour mobility in China », Human Development Research Paper 2009/9, UNDP.



migration to the urban labour market. The urban-rural education gap also put rural migrants at a great disadvantage in the urban labour market. In order to compete with urban labourers and earn a bit more than in their hometowns, rural migrant workers have to accept less attractive positions, lower pay and unfavourable working conditions.

In this context, the following challenges were identified as areas for policy interventions:

- Rural migrant workers lack information about the urban job market, labour law and rights at work. It is also difficult for them to get access to public employment services in cities.
- Rural migrants work long hours, have unfavourable working conditions, low and insecure wages and limited benefits.
- Rural migrant workers do not have sufficient education nor the necessary skills to access decent jobs in the urban labour market.
- The urban social welfare system excludes rural migrant workers from social protection benefits, such as pension, unemployment and medical insurance, public housing subsidies and public education for their children.



Policies and measures to promote the employment of rural workers

Over the last 20 years, a series of policies and measures have been formulated at national level and local governments have strengthened the provision of services for rural migrant workers. This was achieved through a series of pilot projects, which evolved and in some cases were brought to scale based on experience as well as on changing circumstances. The path followed and some of the best practices obtained are briefly presented here.

The first ten years: pilot testing the management of migration flows for employment promotion (1991 – 2001)

In the early 1990s, when migration flows had already taken on large proportions, the Labour Department, jointly with the Agricultural Department and the State Council Research Center conducted a pilot project on managing migration flows in localities with good conditions, such as those provinces with a sufficient rural labourforce, exploring the way forward towards nationwide reform.

From 1991 to 1993, six provinces — Sichuan, Guangdong, Hubei, Anhui, Shandong and Zhejiang — implemented ten pilots with more than 40 focal points that ran the following activities:

- First, jobs were created for rural labourers in traditional agriculture, modern agriculture and the non-agricultural sector;
- Second, rural workers were organized to start their own businesses under different forms of ownership;
- Third, rural workers moved between rural regions and between rural and urban areas in an organized way to be employed there, as well as to be employed overseas;
- Fourth, various kinds of training were conducted to improve their employability;
- Fifth, labour market mechanisms were utilized to manage the employment of workers in urban and rural areas using a combination of adjustment methods from both the planned and the market economy;
- Six, a social service system was established for rural workers' employment;
- Seven, small cities and towns were built to serve as bases for creating jobs for rural surplus labourers.

A second larger pilot programme, better defined and targeted, was then implemented in 8 pilot regions at the provincial level starting in 1993. More than 100 pilot sites were identified. The activities included the following:



- First, the internal structure of agriculture was adjusted, comprehensive agricultural development was strengthened, with a focus on high productivity, quality and efficiency developed, and jobs were created.
- Second, the rural industrial structure was adjusted, with the rapid development of village and town industries and services. Home-based craft production and other kinds of lines were stimulated and rural surplus labourers were encouraged to migrate to non-agricultural sectors.
- Third, construction of economic development zones, rural industrial areas and the development of small cities and town were combined as one package to concentrate village and town enterprises, factories and other production units in rural areas to promote the process of urbanization.
- Fourth, a unified and open market was set up. Rules on the management of the labour market were improved, and normal channels were created through which rural surplus labourers could become employed in urban areas.
- Fifth, communication on employment was developed in an organized way, and regional and international labour cooperation was conducted to guide rural labourers to move in a reasonable and orderly way.
- Six, rural employment service agencies were developed to establish employment service networks of various kinds and their service functions were gradually improved to create the conditions for rural labourers to start their own businesses.
- Seven, a social security system, including pension and disability insurance schemes for rural labourers, was established to improve the labour management system in village and town enterprises and to safeguard the rights and interests of workers.
- Eight, a vocational training plan was drawn up, relevant rules established, resources from various aspects of the society mobilized, training bases established, the network expanded, vocational skill training conducted, and the quality of rural labourers improved.

Among the main achievements of these pilot programmes were the following: employment in rural areas expanded, jobs were created, the quality and capability of rural labourers improved, an orderly flow of workers was promoted and new experience stimulated efforts to promote employment in urban and rural areas.

Regulating rural labour migration

In 1993, the number of rural migrant workers in China reached 62 million, double that of 1989.¹² Following a period of rapid expansion, disorderly mass migration became a pressing issue. To

¹² Zhang Xiaojian (ed.), P133.



introduce an institution which would allow the free allocation of labour, a series of steps were taken in certain regions in the form of programmes to regulate the migration in a timely and proper way.

The Programmes on Regulating Migration for rural migrant workers¹³ mainly adopted the following strategies:

- Labour cooperation between different regions was encouraged and supported;
- Management systems for regulation of migration regulation were established;
- Employment services and training for rural migrant workers were provided;
- Employment services were upgraded through the application of information technology;
- Research was undertaken by relevant institutions regarding the mass rural migration during the Spring Festival.¹⁴

Additionally, a few practical measures to mitigate the disorderly migration of rural migrant workers were adopted according to the MOHRSS.

- Facilitating the coordination among relevant administrative agencies in policy making and implementation;
- Offering guidance and social protection to those rural migrant workers who neither returned home nor sought employment during the Spring Festival;
- Strengthening labour market monitoring;
- Upgrading public transportation; and
- Ensuring public security management.

Gradual integration of the rural and urban labour markets and equal employment rights for all workers (the 2000s)

Since the start of the 21st century, China has experienced rapid and dramatic economic development which is reflected in average annual GDP growth of more than 10 % from 2001 to 2007.¹⁵ However, the gaps between urban and rural income and development have continued to widen. According to the *China Human Development Report* in 2008, the urban-rural income gap in China widened from a ratio of 2.79 to 1 in 2000 to 3.33 to 1 in 2007.¹⁶

¹³ Zhang Xiaojian (ed.), P150.

¹⁴ The Spring Festival also refers to the Chinese lunar New Year, a period during which Chinese traditionally travel home to celebrate the New Year with their families. It is also a peak period when large numbers of rural migrant workers travel round trip between their workplace and hometown.

¹⁵ National Bureau of Statistics, China.

¹⁶ CDRF and UNDP. 2006. *China Human Development Report 2005* (Beijing: CDRF and UNDP).



To remove the barrier which impeded the balanced development between the rural and urban areas, the Chinese central government promoted the ‘Scientific Development Concept’¹⁷ and encouraged a harmonious society. Since then, rural migrant workers issues became a top concern of the Chinese government given their significance in the labour market. In this context, the Chinese central government decisively adopted a series of policies and measures to aid the employment of rural migrant workers. These are described below.

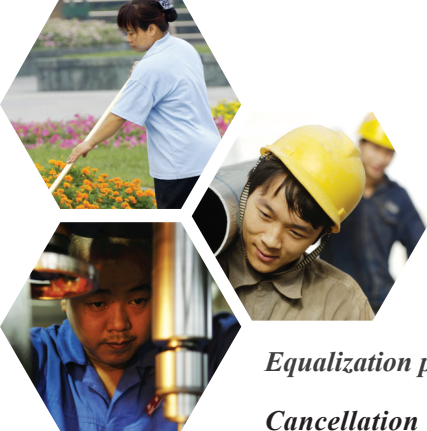
Pilot testing four main policy reforms

In 2000, the central government decided to deepen the pilot experience in some of the chosen regions to promote job creation for rural labourers. This new pilot phase mainly targeted 4 topics:

- ***Establishment of a unified, open, competitive, organized and integrated labour market.*** Pilot programmes were conducted in some small and medium cities or towns in coastal areas as well as in some mid-western areas to manage employment in urban and rural areas in a comprehensive manner. They addressed issues such as the segmentation of urban and rural labour markets, the weakness of rural employment services and imperfections in the employment system.
- ***Training of the rural population for non-agricultural jobs.*** Pilot training programmes were conducted to address the issue of the relatively low quality of rural labourers’ skills and of the difficulty in meeting the demands for labour in non-agricultural sectors. Some cities in regions with a large number of rural surplus labourers, with a huge number of emigrants, as well as in regions with a huge number of new entrants and immigrants seeking a job were selected to conduct vocational training schemes, in order to increase the employability of migrants in non-agricultural sectors.
- ***Promotion of employment creation in western provinces.*** In line with the Development Strategy for Western Areas, and relying on provinces in western areas, labour cooperation across provinces was established to step up efforts to employ rural labourers in western areas.
- ***Promotion of entrepreneurship of returning migrants.*** Based on the increasing demand of returning migrants to start up their own businesses, entrepreneurship was encouraged and supported. Various measures were adopted in sending areas to encourage and support returning migrants to start up their own business. These are described in some detail in section 3.2.

Along with the progress of the pilot programmes, responsible practices and mechanisms for implementation were discovered, paving the way for further reform throughout the country.

¹⁷ The Scientific Development Concept is the current guiding social-economic ideology for the CCP China which is proposed by the CCP leaders of the fourth generation led by Hu Jintao. According to the concept, development should be sustainable: human, social and economic development as well environmental protection are balanced, leading to a harmonious society under socialism with Chinese characteristics.



Equalization policies between urban and rural employment

Cancellation of restrictive policies and removal of fees. During the early period of reform and opening up to the outside world, quotas were set for the number of workers employed in urban areas and local government adopted restrictive measures, charging fees from enterprises that employed casual workers beyond the set quotas of workers. Since the 1990s, as the number of rural migrant workers floating across regions increased, in order to solve the employment problems in their localities and make employment a priority, local government changed from charging fees for casual workers into charging fees for the management of rural migrant workers. Starting from the middle of the 1990s, as issues of laid off workers in state owned enterprises became prominent, many cities restricted access to certain occupations and job positions for rural migrant workers. Regulations made it possible for over 20 kinds of fees to be charged. Such restrictive regulations and fees charging for rural migrant workers formed an unequal environment for the employment of rural migrant workers.

In January 2002, the Chinese government put forward for the first time a policy that “Rural migrant workers should be treated equally, suitably guided, and management and service should be improved.” It also clearly required local governments to cancel all measures and fee charging which restricted rural migrant workers from seeking jobs in urban areas, and to “correct ways of arrogantly dismissing them”. The development of labour service agencies was encouraged and a unified labour market gradually formed in urban and rural areas.

From 2002 to 2004, the Chinese government pushed local governments and departments to change their original management methods and to provide equal treatment for rural migrant workers. In February 2005, an employment registration system for the equal treatment of both rural and urban labourers was implemented nationwide. By the end of 2005, discriminatory employment barriers against rural migrant workers were basically eliminated. With the establishment of a public employment service system budgeted from public revenues, the scale of free service and free training for rural migrant workers also gradually expanded. Efforts to crack down on illegal employment service agencies that cheated farmers were also made and a better environment for farmers to seek jobs in urban areas was created.

Urban and rural labour market integration. In 2006, the Pilot Employment Programme on an Integrated Labour Market in Rural and Urban Areas¹⁸ was formulated to integrate the rural and urban labour markets. The Programme was to be carried out in regions with a good foundation and best practices in terms of employment, management and social services. The objectives of this pilot programme were to establish an integrated labour market, form a system to safeguard equal employment between labourers in rural and urban areas, and to promote and realize full employment for labourers in rural and urban areas.

¹⁸ MOHRSS, Guidance on the Pilot Employment Programme on an Integrated Labour Market in Rural and Urban Areas, (MOHRSS Decree No. 27 [2006]).



The major tasks of the pilot programme were as follows:

- To establish an integrated labour market
- To establish an equal public employment services system
- To establish an integrated social welfare system
- To promote equity in employment between rural and urban workers, and
- To protect both local workers' and rural migrant workers' rights

In the second half of 2006, 27 cities were selected by the leading group of the Pilot Employment Programme as pilot regions. After two years' practice, the pilot programme schedule proved to be beneficial for those pilot cities where the tasks were firmly implemented. Particular efforts were made to establish a comprehensive labour management system covering both urban and rural labour markets. Integrated public employment services and training systems were also formed to provide high-quality services in supporting the employment and re-employment of workers in both rural and urban areas. Regulations on labour markets were implemented effectively to prevent scams and to protect workers' rights. With the extension of social security coverage, rural migrant workers had more secure income, and their workers' rights and interests were also protected. These achievements were exemplified by the pilot programme in Chengdu City, the capital of Sichuan Province. This pilot programme site was particularly creditable in establishing an integrated employment system across rural and urban areas. Specific achievements included the successful implementation of a proactive employment policy, an integrated labour market and training as well as individualized services and the application of management by objectives.

Creation of a quality public employment service system for rural workers

In order to provide sufficient and accurate information for rural migrant workers to get a decent job in the cities and to educate them to protect their rights during their employment, the central and local governments in China worked together to provide free information, job-hunting assistance and consultation services for rural migrant workers.

Establishment of a public employment service system in rural areas

(1) Central and municipal government level

In 2005, the central government required public employment agencies to provide free job placement services for registered rural labourers seeking urban employment and the provided subsidies to employment service agencies which did so. The subsidies were allocated through employment funds from central and local revenues. From then on, rural migrant workers could get access to free information on vacancies and consultation services from public employment agencies nationwide.



(2) Community, village and township level

Employment offices were established in villages and towns from which large numbers of rural migrant workers departed (labour-sending areas) and at their destination (labour-receiving areas), providing employment services for rural migrant workers and safeguarding their rights.

In an effort to strengthen the public employment service system in line with the 11th Five Year Plan, the National Development and Reform Commission, and the Ministry of Human Resources and Social Security jointly conducted pilot programmes in 32 counties (cities and districts) in 10 provinces. Each pilot county built one public employment service centre at the county level and four centres at the village or town level. Financial support came mainly from local government revenues while central government revenues provided necessary subsidies. As a result, from 2002 to the end of 2008, 30,000 local institutions in charge of labour and social security affairs were established in 34,000 villages and towns nationwide.¹⁹ These agencies mainly worked on labour statistics, job placements, migration support and vocational training.

The ‘Three in One’ package for public employment services

In October 2005, the Chinese government launched the “Three in One” model, which consisted of ensuring training, employment and labour rights for migrants. Accordingly, for prospective rural migrant workers, their hometowns became responsible for vocational training, employment promotion and education on fundamental rights at work. Further, a two-way communication system between labour-sending and labour-receiving areas was to be implemented. The (former) Ministry of Labour and Social Security identified 110 counties as good examples of labour-sending practices and focused on replicating their experience in other places to promote quality public employment services at county and village levels.

‘Spring Breeze Action’

From 2005 to 2009, that is, for five consecutive years the (former) Ministry of Labour and Social Security conducted “Spring Breeze Action” nationwide after the Spring Festival, at a peak time for rural labourers to migrate for work. During those campaigns, public employment service agencies in many cities provided services free of charge for rural migrant workers. Employment service agencies with high quality services were recommended, private employment service agencies with a record of honesty were praised, there was a crack down on illegal employment service agencies, and the labour market and employment environment improved. Also during those campaigns, public employment service agencies distributed free “Spring Breeze cards” to rural migrant workers with the names and addresses of legal employment agencies, the phone numbers of supervisory departments, as well as hints on how to protect the rights and interests of workers entering urban areas. This information helped rural migrants seeking jobs in urban areas strengthen their awareness of how to safeguard their rights

¹⁹ Data collected by the MOHRSS.



and prevent themselves from being cheated. In response to the financial crisis, the 2009 Spring Breeze Action began earlier than in previous years to promote the employment of rural migrant workers.

Training to enhance rural workers' employability and facilitate migration

In September 2003, the Chinese government formulated the Training Plan for Rural Migrant Workers (2003 to 2010), which put forward the following objectives: during the first three years, 10 million rural labourers who were about to seek jobs in non-agricultural sectors and urban areas would be trained on pre-employment preparations, 5 million of them would be trained on vocational skills. The 50 million rural migrant workers who had already entered non-agricultural sectors would be given on the job training. For the following five years, the numbers would rise significantly. An additional 50 million rural job seekers would receive pre-employment training, of whom 30 million would receive vocational training and some 200 million rural migrant workers in non-agricultural sectors would be given on-the-job training.

In line with the Plan, relevant departments conducted training for rural migrant workers with training fees reduced or eliminated. Starting from 2004, the Sunshine Project on Training for Rural Labourers Seeking Jobs in Urban Areas (known as Sunshine Project) was launched. After 2004, special funds earmarked from agricultural funds were allocated each year by the Chinese government to support the Sunshine Project. After 2006, a portion of the more than 20 billion Yuan allocated by the government each year for employment funds went to mid-western areas to arrange for training for rural migrant workers. At the same time, 600 million Yuan were allocated for training subsidies for rural migrant workers in 7 provinces in China's eastern areas. Because of the considerable amounts made available for training from the employment funds, rural migrant workers began to enjoy free training.

'Sunshine Project' Training Programme

The 'Sunshine Project' was implemented in three stages from 2004. In the first stage, from 2004 to 2005, short-term vocational skills training was conducted in certain areas to explore proper implementation mechanisms and to lay a foundation for training on a larger scale in the future. In the second stage, from 2006 to 2010, vocational skills training was conducted nationwide to develop the human capital of rural migrant workers. In the third stage starting from 2010, the programme gradually integrated rural labour training into the national educational system, and extended it both in terms of breadth and depth.

By the end of September 2007, 11.25 million farmers had been trained, and among them 9.68 million found employment through migration. Their employment rate reached 86%. After the training, a large number of farmers has acquired vocational skills and their general quality obviously increased, their stability in employment was also enhanced, which quickened the pace of employment of rural migrants in the country and was a driving force for the development of the secondary and tertiary sectors. According to a survey by the Office of the Sunshine Project, the monthly income of



participants who attended the Sunshine Project training and were subsequently employed was about 983.5 Yuan, that is 277.5 Yuan higher than those who did not attend the training. Training courses were conducted based on enterprise demand, training institutions applied to carry out government sponsored training programmes, and participants were employed by the enterprises upon completion of the training. In this way, migrant workers were employed in an organised way, “blind” migration of farmers was reduced, the costs of seeking a job dropped, and a reasonable and orderly flow of rural migrant workers was enhanced.

The success of the Project should be credited to the close cooperation among the relevant entities (shown in figure 7). Training was only conducted by training agencies based on specific requests from enterprises which provided details regarding the number of workers and skills sets required. Training agencies worked with the local government on the contents of the training. Upon finishing the training, qualified trainees found employment in the enterprises which had registered their request for skilled workers with the training system. This mechanism also helped rural migrant workers to migrate to urban areas in a rational way. They received job offers from urban enterprises in the classroom of their rural hometown, which precluded their random migration to urban areas. Therefore, the cooperation led to twofold achievements by both smoothing the migration of rural migrant workers and ensuring their employment.

Figure 7 The procedures of ‘sunshine project’ training



Employment of rural workers through vocational training

In 2006, the Rural Workers Employment through Vocational Training Programme was implemented in the country. This Programme was based on the principle of reinforcing the links between training and employment on the one hand and employment promotion through training on the other. Under



this Programme, enterprise demand and labour market supply were better linked, and policies to subsidize vocational training and job placement were implemented. Vocational training institutions and employment service agencies of various kinds were mobilized to provide training and services for rural labourers so as to improve their employability, promote migration into non-agricultural jobs in urban areas and to supply workers for the sustained, healthy and rapid development of the national economy. There were 4 main areas in the Employment of rural labourers through Vocational Training Programme.

- ***Vocational training to improve employability.*** Young people completing junior and senior high school, rural demobilized soldiers and other new rural labourers were organized to attend the “labour reserve” training, a form of pre-employment training. Rural surplus labourers who intended to migrate to seek work were organized to attend labour migration training, and rural labourers already employed in urban areas were organized to attend skill improvement training. Training institutions of various kinds were guided to consider the demands of the labour market, and conduct training based on the demands of enterprises. In line with the State Occupational Standards and the requirements of job specifications in employing units, on-site training should be strengthened.
- ***Accreditation system to improve the assessment of skill levels.*** If rural labourers who completed a training course asked for an accreditation of their skills, vocational skill accreditation institutions were to provide such services for them.
- ***Matching labour supply and demand between labour-sending and receiving areas.*** Public employment service agencies at all levels were opened to rural labourers and provided services such as counseling on policies, employment information, vocational guidance and job placement for them free of charge. Based on local cultural and economic development features, agencies tried to set up models for labour sending.
- ***Integrated “Three in One” model*** including training, employment and protection of labour rights.

The Employment of Rural Workers through Vocational Training Programme caused labour and social security departments at local levels to focus on vocational training, skill accreditation and employment services which led to progress in the training of rural labourers. Training sites were established, and many rural labourers received training which improved their opportunities for sustained employment. From 2006 to 2008, the number of rural labourers attending training courses through this Programme reached 26.5 million. A training subsidy system for rural workers was established. From 2006 to 2008, the amount of subsidies used for training on non-agricultural skills for rural workers from employment funds financed from local revenues reached 8 billion Yuan. The experience gained and the good practices developed laid a sound foundation for enhancing efforts in this regard.



Support to rural migrant workers during and after the financial crisis

The economic crisis of 2008-2009 in China was an extremely difficult time and employment was seriously affected. Rural migrant workers were the hardest hit by the crisis as there are a high proportion of rural migrant workers in manufacturing, export-oriented and joint venture enterprises. Around 10 million migrant workers suddenly lost their jobs and had to return home.

Moreover, the massive flows of rural migrant workers travelling home during the Spring Festival in 2009 made the employment situation in China worse. Some migrant workers discovered that their jobs had been cut when they returned to work after the Spring Festival; many others stayed home because of the worsening labour market.

During the 2009 Spring Festival, more than 70 million rural labourers migrated back to their rural hometowns, among whom more than 18 million were in need of employment. About 16% of the migrant workers who went home for the Spring Festival did not find work when they returned to the cities. Another 7 million migrants, accounting for 10% of those who had gone home, did not go back to urban areas to look for a job after the Spring Festival and were unclear as to whether they would seek employment in their locality. The employment situation for rural migrant workers around the 2009 Spring Festival was quite serious.

According to a survey jointly conducted by the MOHRSS and the National Bureau of Statistics, the total number of rural migrant workers at the end of the second quarter of 2009²⁰ was 151 million, an increase of 3.78 million or 2.6% over the end of the first quarter of 2009, but still far below the 2008 level (225 million migrant workers). These workers' monthly income was around 1,404 Yuan (compared to 998 Yuan in 2004). The unemployment rate among these rural migrant workers was about 3%. The coverage of rural migrant workers by social insurance schemes was not extensive.

The Chinese government responded by reinforcing the policies and measures which had proved significant and quick-acting on promoting and protecting the employment of rural migrant workers in the context of the global economic crisis and adopted ad hoc policies as well.

Special crisis response training plan

In response to the impact of the financial crisis on labour demand, the Chinese government adopted a special training plan, which required local governments to conduct four kinds of training from 2009 to 2010 taking into account the local context. These included the following: skill improvement training and job-transfer training for employees in enterprises facing economic difficulties in order to help them stabilize their employment; vocational skills training or business start-up training for returned rural migrants who lost their jobs to help them find new employment or to start up their own business

²⁰ i.e. after the 2009 Spring Festival.



in their hometown; medium or short-term skills training for the unemployed (including university graduates who were registered as unemployed, and rural migrant workers who lost their jobs and remained in urban areas) to help them become reemployed; as well as skills training for new entrants in the labour market to improve their employability.

In line with the Special Plan and based on the demand for employment by workers hit by the financial crisis, vocational schools and various training institutions carried out targeted skills training. The scale of training expanded, investment in training increased, workers' capabilities with regard to employment, reemployment and start-ups improved, and a stable employment situation was maintained. Much effort was focused on key areas supported by the State, such as the railways, transportation, power and reconstruction in earthquake hit regions.

For the urban unemployed (including rural migrant workers who had lost their jobs and were looking for work in urban areas), reemployment training of 3 to 6 months' duration was conducted. For university graduates registered as unemployed, skills training in relevant fields was conducted taking into account their study programme in the university, and highlighting hands-on training and practice to improve their employability. For young people completing junior and senior high schools in rural areas who did not intend to further their education, labour reserve training of 6 to 12 months' duration was conducted to improve their skills and employability.

Business start-up support for returning migrants

A key measure to promote employment in response to the financial crisis was to encourage rural migrant workers to return home to start up their own businesses. Policies to that effect were issued by many local governments, and even today one of the priorities in current employment promotion efforts is to encourage returned migrants to start their own businesses. Support should be given in terms of funds, production space and favourable policies on taxes and fees.

In September 2008, the central government put forward "Guidelines to Enhance Efforts to Promote Employment through Start-up Business". The Guidelines focused on three aspects: First, employment through start-up businesses was to be promoted in a comprehensive way, it should take into account overall social and economic development, and start by raising awareness of start-ups and creating an enabling environment to shape a three-in-one mechanism of supportive policy, start-up training and start-up service to help more workers who intend to start up their own businesses to do so successfully. Second, a series of supportive policies was to be formulated, such as an active employment policy, for unemployed persons eligible for self-employment. Administrative fees were to be exempted for a period of 3 years, and business tax, city maintenance and construction tax, education added tax and individual income tax were to be reduced or exempted within certain limits. Low-interest loans of up to 50,000 Yuan were to be granted. Supportive policies in the form of favourable taxes, micro-credit loans, subsidies, production space arrangements conducive to start ups had to be put in place. Barriers to business start-ups, such as various restrictions in sectors, localities and businesses should be eliminated, constraints on market access were to be relaxed, and procedures for submitting a proposal,



its approval and issuing a license simplified. For those projects that met the requirements of the State and were conducive to employment promotion, financial institutions were encouraged to provide financing. Infrastructure construction projects were to provide production space required for business start-ups; Third, flexible employment was encouraged. Policies and measures were to be improved to create a better environment for flexible employment and to promote its development.

Migrants' jobs protected to promote the stability of employment

Helping enterprises weather difficulties was a practical choice in terms of stabilizing current jobs and every effort was to be made to achieve this. Enterprises are the main generators of economic activity and employment. Protecting enterprises meant protecting growth and protecting jobs. Policies were formulated, stipulating that measures should be taken to ease the burdens of enterprises and protect jobs. Enterprises in difficulty were allowed to postpone payment of social insurance contributions. Four types of urban workers' social insurance contribution rates, notably those for basic medical insurance, unemployment insurance, work injury insurance and maternity insurance, were temporarily reduced. Enterprises in economic difficulty were encouraged not to lay off workers or to reduce the number of lay offs. Unemployment insurance funds were made available to subsidize those enterprises that protected jobs by conducting on-the-job training, organised shift work, or carried out salary negotiations. Those that guaranteed not to lay off workers or to reduce the number of lay offs were eligible for social insurance subsidies and job subsidies for a period of up to 6 months. State owned enterprises bore particular responsibilities. Reforms in state owned enterprises were to be deepened in order to strengthen production, reduce lay offs to a minimum and, if possible, create jobs. Enterprises in economic difficulties were encouraged to initiate salary negotiations with their employees taking into consideration opportunities for flexible employment, on the job training and shift work. Enterprises were to make efforts to avoid lay offs, to reduce the number of workers affected, and to ensure that lay offs were temporary. Enterprises that resorted to excessive lay offs had to report to local governments. Lay off procedures were standardized in order to protect the rights and interests of workers.

By the end of April 2009, the measures taken to delay or reduce payments had directly eased the burdens on enterprises by 8.8 billion Yuan. 310 million Yuan from the unemployment insurance fund was used to subsidize 2258 enterprises and prevent 480,000 workers from losing their jobs. Total expenditure for the year would eventually rise to 13 billion Yuan. Many enterprises adopted measures such as on-the-job training, shift work and temporary leaves to stabilize employment.

In brief, the Chinese government adopted special policies and strengthened the implementation of others to manage the risk. These efforts quickly stabilized the employment situation and enhanced the capacity of the labour market to respond to the crisis. By regulating the labour market, the Chinese government tried to maintain a stable environment for employment. By negotiating with enterprises to limit layoffs, employment for rural migrant workers was protected. By providing necessary public employment services and special vocational training programmes and by encouraging entrepreneurship initiatives, rural migrant workers were assisted when they returned to the job market.



Lessons learnt, challenges and the way forward

Lessons learnt

The Chinese experience in promoting Decent Work for rural migrant workers leads us to draw five main lessons.

First, put people first and promote employment creation.²¹ Thinking of rural workers' needs and assisting them in finding a job as quickly as possible should be a priority. Timely service delivery and help should be provided for them in key areas such as facilitating their migration to other places to seek a job or to return home to start up their own business.

Second, ensure equal treatment for urban and rural residents. Employment in both urban and rural areas should be managed equally. Rural workers should have the opportunity to seek employment through migration or to work in their own localities; At the same time, employment, job creation, training, and quality improvement should all be enhanced. Market mechanisms need to be improved, rights safeguarded and social security strengthened together as one package. Equal treatment should be implemented, equal employment rights protected, and in light of the vulnerability of rural migrant workers, targeted support should be provided to realize equality.

Third, adjust policies to local conditions, including during implementation. Considering the vast territory of China and the significant differences across regions, especially in terms of the differentiated employment in urban areas and rural areas, local situations need special consideration in the policy making process. Labour departments in labour-sending and labour-receiving areas need to get involved in the policy making process in order to address the local situation properly.

Fourth, adequate balance between long-term and short-term concerns is critical. Prudent analysis of the current labour market is important for anticipating future employment trends and designing corresponding measures. Moreover, these efforts need to be incorporated into a comprehensive institutional framework on integrating rural and urban labour markets and facilitating sustainable development.

Fifth, learn from experience and adjust policies accordingly. After experiencing the financial crisis, rural migrant workers' skills were improved and their capability to respond to risk was enhanced. Most importantly, more and more enterprises have become aware of the importance of corporate social responsibility and equal and fair treatment of their employees. The Chinese government grasped the development opportunities triggered by the financial crisis to further reform employment policy with regard to rural migration.

²¹ People first (*yi ren wei ben*) means that development should be built on respect for people's needs and rights. It is officially defined as a core value of the central government's "Scientific Development Concept".



Main challenges

Rural migrant workers have, to a certain extent, recovered from the shock of the financial crisis. The number of migrants returning home or migrating to new places to find a job is levelling off. But those who have found jobs again after the crisis are in a more precarious situation than before. Their income is lower than that of urban workers and their jobs are less secure. In addition, more than 4 million rural young people who complete their junior and senior high schools studies choose not to continue their education and enter the labour market in the second half of each year. Therefore, employment pressure caused by rural migrant workers is still very high.

Uncertainty and instability characterize the world economy today and China's economic recovery reflects this. Decreasing international demand is inevitable, the driving force for economic growth is insufficient and problems of overcapacity in some sectors are evident. Readjustment of the economic structure, energy savings and reductions in green house gas emissions, and efforts to control production capacity will have a significant influence on the employment of rural migrant workers, and the potential of a new round of impact still exists. In addition, difficulties in recruitment of workers have emerged in some areas, in some cases due to the short term or seasonal nature of the jobs offered, in others due to the lack of willingness or capacity of enterprises to increase benefits for workers, who are also unwilling to take up jobs from which they are likely to be laid off. The above problems have emerged in parallel with the general situation of surplus labour in China, reflecting a complex overall employment situation. Some observers argue China's unlimited supply of labour will come to an end in the next few years²² and the country will face a structural shortage in labour supply, especially in the labour-sending provinces.²³ The insufficient quality of the labour supply and inefficiency in skill matching, they argue, could even worsen the problem.

From the perspective of the labour migration market, problems still exist with regard to employment information flows, the protection of labour rights and the low skill levels of rural migrant workers. In terms of employment promotion, there is still lack of clarity as to the exact number of rural surplus labourers, service agencies do not yet function well, and their efficiency in matching workers between labour-sending and labour-receiving areas is low. Meanwhile, the concept of rural labourers' employment has changed from the original concept of outward migration for employment to multiple channels through which to find employment, including migrating within the same region, working near one's hometown, or starting a business. Corresponding policies have yet to be formulated to meet the new challenges.

²² Fang Cai, 2008; Michele Bruni, Claudio Tabacchi, 2011

²³ Michele Bruni, Claudio Tabacchi, 2011



The way forward

The foundations for the employment of large numbers of rural migrant workers remain fragile. Recent difficulties in recruiting workers in some areas allow us to see the complexity of the issues involved. As China is a developing country with a surplus of rural labourers, how these issues are addressed affect the long term economic and social development of China.

Promoting decent employment for rural migrant workers will remain a priority of China's employment plan for the next 20 to 30 years. Currently, primary sector workers account for 41% of total employment in China, while in developed countries, the figure is below 10%. It is inevitable that rural labourers will gradually move to non-agricultural sectors. The government estimates that there are 120 million surplus rural labourers in China. As labour productivity in the agricultural sector improves, a large number of rural labourers, including new entrants into the labour market, will look for jobs in non-agricultural sectors. The government has set itself the objective of full employment by 2020 by creating additional jobs not only in urban areas, but also in rural areas. The goal is to eliminate under-employment in rural areas and to achieve full employment in manufacturing and services. Quickening the pace of employment creation for rural workers is fundamental to expanding employment as part of China's overall development strategy, and is a key element in the development of human resources. China intends to change the burden of a large population into the advantage of abundant human resources. To achieve this, the quality of workforce currently employed in lower end industries must be raised to the level needed for higher end industries. At this critical juncture in China's economic and social transformation, quickening the pace of employment for rural migrants will help solve the problems facing both in urban and rural areas, speeding up industrialization and urbanization.

The seven challenges that lie ahead can be summarized as follows:

- 1. Abolish the segmentation between the rural and urban labour markets.** Employment in both urban and rural areas should be promoted and a unified human resources market covering urban and rural areas should be formed. Discriminatory restrictions against farmers seeking jobs in urban areas should be eliminated. An equal employment system, including employment management and service delivery, skills training, labour recruitment management, and social security should be established and improved, beginning with programmes in pilot areas and gradually expanding to all areas.
- 2. Ensure high quality public employment services across the whole territory.** Labour market information system should be enhanced and guidance be provided for rural surplus labourers so that they can seek jobs in urban areas in an orderly way. Public employment services at the county and village levels should be improved, information networks strengthened, employment service quality and efficiency improved, and service provided in both urban and



rural areas in an equal manner. Investment in training for rural surplus labourers should be strengthened, training resources integrated, supervision and management strengthened, and training quality raised. The role of the labour market should be given full play. The relevant agencies in labour-sending and labour-receiving areas should be encouraged and guided to make joint efforts in such areas as training, employment promotion, protection of rights, social security, and matching of workers to job offers between labour-sending and labour-receiving areas.

3. **Promote the economic development of the central and western provinces.** Employment opportunities in the secondary and tertiary sectors in rural areas should be fully explored and the county level economic developed. Farmers should be encouraged to seek employment near their hometowns. Labour intensive industries in developed coastal areas that meet the requirements of environmental protection should be encouraged to move to mid-western areas. Enterprises at the village and town levels, in particular small and medium enterprises should be promoted.
4. **Support returning migrants through active labour market policies.** Rural migrant workers should be supported when they return home to start a business, and such support should be an integral part of the overall plan for employment promotion. Relevant departments should make joint efforts to improve policies on start-ups, to create an enabling environment and to strengthen services and training on start-ups, focusing on providing guidance and encouragement for rural migrant workers who return home to start a business.
5. **Build labour market institutions at the local level.** The construction of a public employment service system should be enhanced. Provisions in the Employment Promotion Law should be implemented, the construction of public employment services centres at village and town levels should be expanded and a network set up, connecting public employment service agencies at the county, town, and village levels. The duties of public employment services should be standardized and systematized.
6. **Bring successful pilot experiences up to scale.** Successful pilot labour sending counties should become demonstration bases for employment through labour migration. Their coverage should be expanded into all counties, and they should be able to promote three types of job placement: employment through migration to another region, employment near one's hometown and self-employment by starting up one's own firm.



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