Has the Social and Economic Status of Migrant Workers Improved Recently?

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First of all, I’d like to thank those who organized this workshop. I am also very pleased to have this opportunity to share our ideas. Just now Prof. Cai Fang gave a very good talk. He made a general assessment of policies toward rural workers and I basically agree with him, because what he talked about was related to issues of the general aspects of the process. What I want to talk about is related to some specific issues, mostly drawing on a recent survey of migrant workers, which has provided some relatively new information and I’d like to report on that to you.

First, we are very grateful for the constant support from the Ford Foundation for this project. We completed the first year of the survey under extremely difficult conditions. We have obtained some data but we haven’t been able to perform an in depth analysis yet. We just have some basic information. So today I’d like to give you a brief introduction to the basic situation.

First, as we are discussing the issue of migrant workers, I should point out that there is a difference between migrant workers and the migrant rural population. From a general perspective, we can say that in addition to focusing on the issue of migrant workers, we should also pay attention to the large number of other rural people living in cities.

First, we all know that in 2006 the National Bureau of Statistics conducted the Agricultural Census, which generated a figure of 130 million migrant workers. But this figure does not include the non-employed children and the elderly parents of migrants who went to cities with them. According to our calculations, this group of people is estimated at about 20-40 million. In other words, the total number of migrant workers plus the non-working migrant population in urban areas is about 150 million. Furthermore, another part of the rural migrant population is not included - those who migrate as whole families. This is about 20% of the total. So if these people are added, the total number of the rural migrant population in China’s urban areas would be around 180 million. These are some of the basic data.

We have conducted a survey recently, that we finished in 2006, trying to understand the basic situation of employment and life circumstances of rural workers in urban areas, including information on the age and gender structure of the migrant population, their education level, professional
training, distribution across occupations, the percentage employed in enterprises of different types of ownership and their distribution across industries.

This is a comparison of the age distributions of rural workers and local urban workers in the city. The red color indicates rural workers and urban workers are marked in yellow. From this distribution you can see that rural workers are relatively young; nearly 40% of them are under 25 years old. In the 26-40 year old group, the percentage of rural and urban workers is almost the same. The difference is evident in those above 40. The percentage of rural workers in this group is very small. In terms of gender, male rural workers account for a higher percentage. We found in our survey that the percentage of male workers is basically 3% higher than that of female, showing some differences from other statistics. Since our survey was mainly based on families, the percentage of families was relatively larger.

Here we show the difference in education level between rural workers and urban employees. Similarly, you can see that the majority of rural workers are middle school graduates, accounting for about 60%. If those rural workers with primary and below primary school education are added, the percentage of rural workers with an education level below middle school is nearly 80%. Relatively speaking, the education level of urban workers is mainly senior high school and above.

The next issue is the provision of training. You can see that compared with urban workers, the percentage of training received by rural workers is relatively low, about 26%, so over 70% did not have any training. while the percentage of training received by urban workers may reach as high as 40%.

Now let’s take a look at choice of occupation. Compared with urban workers, rural workers tend to go into business, the service industry or manufacturing. This percentage is very high, nearly 80%. The percentage of those working as managers, and technical staff, including general staff, is very low. Of course about 14% of them are engaged in private business or become owners of private businesses. That is the situation with employment.

What is the percentage of migrants employed in enterprises of different ownership type? You can see that 80% of migrant workers are working in privately-owned and individually-owned enterprises. By comparison, 32% of urban workers work in government departments and institutional units, and 20% in state-owned enterprises. Only 29% of urban workers work in privately-owned and individually-owned enterprises. That is to say, there is a great deal of complementarity between migrant workers and urban employees. A similar situation also exists in terms of occupational selection.
Migrant workers are generally involved in manufacturing, with business and retail accounting for an extremely high percentage. While the urban workers are generally engaged in the sectors of education, medical care, public service, finance and insurance, etc.

The next issue is related to the wages of migrant workers and the wage gap issue. Prof. Cai Fang just now provided us with a chart showing the changes in migrant workers’ wages. Here I also have a chart which is made according to a survey conducted in 2008. At that time, the monthly wages of migrant workers on average was about 1400 Yuan. This is our latest survey information from 2008. In addition to that, there is a relatively large gap between the wages of migrant workers and urban employees. According to a statistical report from the Ministry of Labor and Social Security, the wages of migrant workers are approximately 70% that of urban employees. So it’s relatively low. More importantly, migrant workers tend to work longer hours. If you just examine the monthly wage, you can see some difference. But when comparing the hourly wages, you will find a larger difference. This is because migrant workers work longer hours, 59 hours a week on average, while urban workers all work on the 8-hour per day system, 40 hours per week. Within the migrant worker sample, the proportion of those working less than 40 hours per week was extremely low, only about 14%, and those working less than 50 hours were only 39%. That means over 60% of migrant workers work for more than 50 hours a week.

This chart shows a comparison of wage income between migrant workers and urban employees. This is the monthly wage income. Here we divide them into ten equal subgroups based on their monthly wage. We can easily see the percentage of urban workers in each group. Among the lowest income group, urban workers account for 46%, but in other low income groups, such as from No. 2 to 5, the percentage of urban workers is less than 40%. The majority in these groups is migrant workers. In other words, this chart shows that the majority of migrant workers are basically distributed in low income groups, and they make up a very high percentage of those with below average incomes.

This chart shows the hourly wages of migrant workers and urban workers as distributed in ten equal subgroups. Obviously, urban workers are a higher proportion of those with high income, while migrant workers are more concentrated in low income groups of which they make more than 80%.

At the same time, we calculated wage gaps among migrant workers. Comparing 2008 with 2005, not much change is evident in the internal wage gap among migrant workers. The Gini Coefficient was about 0.25, which is not very high. The ratio of the income of the top 5% to that of the bottom 5%
was 6.7 times. That’s not very high.

In considering the factors that affect the growth of migrant workers wages, one of them is obviously the length of their working experience in urban areas. In our survey, we asked them about the length of their work experience in urban areas (1 year or less, 1 to 3 years, 3 to 5 years, or more than 5 years). The findings showed that for both male and female migrant workers, wages increased with the length of time in urban areas. For example, male migrant workers with less than one year experience would earn 1400 Yuan per month, but those with over five years experience earn a monthly wage of 1800 Yuan. In other words, the yearly increase is about 10%. And the accumulation of work experience in urban areas usually plays an important role in migrant workers’ wage increases.

Given the increase in wages, what is situation of migrant workers in terms of poverty levels? This is very difficult to estimate because there is no official poverty line. So we made a general estimate of the incidence of poverty among migrant workers by using several measures of poverty. Using income, we looked to see what percentage of migrant workers who earned various levels of income: less than 200 yuan or 300 yuan or 400 yuan a month. And you can see that if you take 200 yuan as the poverty line then the incidence of poverty among migrant workers is less than 1%, and if it is 300 yuan, then it is still only 0.8%. But this is using income. But you use levels of consumption and expenditure to set the poverty line, then the incidence of poverty is very high. So if the level of consumption and expenditure is set at 300 yuan, 8% migrant workers are living in poverty The reason for this is that the majority of migrant workers do not only think about supporting themselves. They also send part of the income back home. They have to support two households. From this perspective, it is more rational to use consumption than income as a measure when considering the incidence of poverty among migrant workers.

Our data also indicates that of those migrant workers working in urban areas, approximately 5% of households spend less than 3 yuan on food, per person, per day, 17% of families spend less than 5 yuan on foods per person/day, and about 44% spend less than 10 Yuan. And 10 yuan is the minimum living standard line for Beijing. From the perspective of consumption, then, the incidence of poverty among migrant workers appears to be more severe.

Now let’s turn to the issue of social welfare and the labor rights of migrant workers. According to our latest survey, about 36% of migrant workers have signed labor contracts. We can say that the percentage has increased significantly. According to the survey conducted in 2004, the percentage was
about 21%. That is to say, obvious improvements have been made in the rate of signing labor contracts in recent years. And this is related to certain government policies in recent years which have played an important role.

Another issue is the situation of social security coverage for migrant workers, including their entitlement to unemployment insurance, retirement insurance, occupational injury insurance and housing support funds. From this chart you can see that the proportion of migrant workers without any kind of insurance is still very high. The proportion of migrant workers without any unemployment insurance is about 86% and the percentage of those without any retirement insurance is 80%. In addition, 81% of migrant workers do not have any occupational injury insurance and 90% of them have no housing fund.

Now let’s look at the issue of the housing condition of migrant workers’ families. 11% of the families have less than 3 square meters of living space per person, about 1/3 of families have less than 6 square meters per person. 20% of families live in houses without any bathing facilities or have to use public bathing facilities, 36% of the families have no kitchen, and 10% share kitchens with others.

Finally, let’s look at the situation of left-behind children. How many children of migrant workers have been left behind and do not live with their parents? According to our survey, about 55% of migrant families left their children in their hometown and only 36% of them take the children along with them. So if the children do not live with their parents, where do they generally live? About 28% of the children live either with the father or the mother. And about 54% live with their grandparents. And about 17% live by themselves or with other relatives.

In our survey, we asked many left-behind children why they are left at home. They gave us several answers, 39% of them believe the cost of living in urban areas is too high, and 16% of them believe the cost of school or kindergarten is too high. Only few of them connected their situation to the unavailability of school or kindergarten in urban areas. In other words, it is not a problem of the availability of urban services, but a problem of expenses and thresholds. Of course, some of them think staying at home is better. And some migrants feel they are too busy to take care of the children.

(Closing remarks) This is the general situation. From the basic findings of our survey, we feel that in the past few years, the wage level of migrant workers has shown a clear and very large increase. The extent of discrimination against migrant workers in society has decreased, and there has been a certain improvement in their social status. But in comparison
with urban residents, very large differences still exist. Discrimination has declined and this is largely due to differences in levels of human capital, including education. Of course things these problems are very hard to solve in a short period of time. The other problem is that the incidence of poverty is also much higher among migrant workers, and this shows itself not only in income but also in their lack of access to public services and social welfare, including labor rights - their rights as workers do not receive adequate protection. And this is important in considering their children. If their educational situation cannot be improved, then there is the risk that after they come to urban areas, migrant workers will become a poor and vulnerable population, and this poverty will continue from generation to generation. This could be a very big problem in China’s urban development.

I would say that what I talked about today is rather complementary to Prof. Cai Fang’s talk. From the latest survey findings, we should say the existing situation of migrant workers is still far away from goals of reform, and efforts are still required from government and people in all circles of life. Thank you.