

China maintains discriminatory measures against rural migrants

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Last month, a newspaper editor lost his job as a result of co-authoring an editorial calling for the abolition of the hated *hukou* household registration system. *Hukou* subjects rural migrants to second class status in cities they have lived and worked in for years, denying them equal access to jobs, education and medical care.

Zhang Hong, a former deputy editor of *The Economic Observer*, said he had been punished for the editorial that had been carried by 13 newspapers in China on the eve of the National People's Congress. His colleagues had also "felt repercussions". All the newspapers have removed the article from their websites, as have nearly all the major Internet news portals. It reflects the degree to which migrant labour has become an acutely sensitive issue.

China's ruling elite has no interest in changing the social position of migrant workers. At the Congress, Premier Wen Jiabao shot down any hopes of abolishing the *hukou* system and announced instead an increase in the public security budget.

Without a major influx of new migrants, China's advantage in cheap labour will erode in favour of its neighbours in southeast Asia. Big city officials fear that any change to the *hukou* system would wreak havoc on social services, which are already struggling to cope without additional resources. At the same time, they depend upon selling land to developers to generate income for the city and themselves. Many corrupt city and public officials benefit directly from the huge bribes and kickbacks they collect from migrants who want to stay in the city illegally and the illicit businesses that cater to their needs.

The *hukou* system is a key element of China's low wage economy. It dates back to 1958, when the government set up a household registration system that assigned each person urban or rural residency. While urban residents were allocated jobs, housing and locations for food and other necessities, rural residents got none of these rights and were stuck on their farms.

One aspect of the market reforms was to allow farmers to sell part of their produce on the market instead of supplying it all to the state, increasing food production and farmers' independence. In 1984, the government allowed farmers to work for small enterprises in small market towns and migration soon picked up speed. The second wave of rural migrants left to find temporary work in the cities. Now migrants are bringing their families to join them in the cities.

By 1990, there were 60 million migrant workers, mostly drawn to the factories in the big cities in the Pearl and Yangtze River Deltas. Today, this figure has mushroomed, although estimates of the number of migrants vary from 167 million to 230 million, out of an urban population of 622 million.

Nearly all the workers on construction sites, notorious for their dangerous working conditions, and in the sweatshop factories, restaurants, delivery services, domestic work and garbage collection, as well as brothels, are migrants. In large cities like Beijing and Shanghai, migrants account for more than a quarter of the population, while almost all the factory workers—young women—in Shenzhen and Dongguan, and other factory cities in south China are rural migrants.

These are the workers who have transformed China by building its skyscrapers, its vast new highways and rail links and manning the factories that have made it the workshop of the world, and generated untold wealth for the rich.

With incomes less than one quarter of those of urban workers, rural residents are leaving the land in droves. In many villages, only the elderly and young children are left, as grandparents cultivate the farms and care for the children of migrant workers in the cities. Three quarters of their income comes from remittances from towns and cities. Between 150 and 200 million are expected to seek work in the cities in the coming period. The drought in the southwest that is ruining farmers will further swell these numbers.

More than a few rural residents, particularly young girls aged between 10 and 24, fall victim to traffickers according to a report by the All-China Women's Federation and the International Labour Organisation. Chinese police freed more than 3,400 children and 7,300 women, just the tip of the iceberg, during a nine-month campaign last year.

China's migrant workforce constitutes the largest migration in human history, and has taken place over a period of just 25 years. To put it in perspective, this is at least four times the number of people who emigrated to the United States of America from Europe over a century.

Almost half were born after 1980 and 40 million after 1990. But while they all share the same experience of low wages and bad housing conditions, there are some crucial differences. Those born before 1980 have land registered to them in the country, but those

born after 1980 do not. Most migrant workers therefore have nothing to fall back on if they cannot find work in the cities and have never had any experience of working in the fields.

Life for migrant workers is nothing short of hellish. For years, they were forced to dodge the police because those caught without residency permits could be fined and sent home. They have no access to social assistance, known as the Minimum Livelihood Guarantee Scheme, and less access to urban public schools for their children and locally funded public housing. While some live on employer-owned premises, others have moved into slums and ramshackle housing on the edge of the cities.

Social security and medical schemes are job-related, rather than *hukou* or residency based. Migrants pay for their own life and health care insurance, if they earn enough. Because they are only hired on short-term contracts, they are forced to move from city to city in search of work and as these policies cannot be amalgamated, they provide little effective cover.

Most are forced to rely on cut price, back street doctors rather than the big hospitals for health care. The average cost at a hospital for treating a cold is 110 yuan, more than 10 percent of the average wage of a migrant worker, pushing workers in the arms of unscrupulous moneylenders. There are believed to be thousands of illegal “clinics” in every major city in China, hidden in large apartment complexes, which advertise on telegraph poles near construction sites and in areas with large migrant communities. Three thousand illegal clinics were closed in Beijing alone last year.

A recent report on migrant workers published by the National Bureau of Statistics states that illegal overtime is the norm and many migrant workers have left south and east China because of the poor conditions and low pay. They work on average 26 days a month, or 58.4 hours a week, 14.4 hours more than the legal limit. The average monthly wage rose by 5.7 percent or 77 yuan (\$11.28) in 2009, to 1,417 yuan (\$207.58). This has not kept pace with the cost of living, particularly housing costs. Real estate prices have risen by 30 percent in the last year.

Less than half of migrant workers (42.8 percent) have a formal contract with their employers. In the construction industry, the figure is 26 percent. Few migrants have insurance. Only 21.8 percent have employment injury insurance. Just 12.2 percent have medical insurance, while just 7.6 percent have a pension scheme.

Wages are routinely paid late, often months in arrears, and employers think nothing of closing factories and absconding without paying their workforce.

As wages have failed to keep up with the rising cost of living, the number of migrants working in the Pearl River Delta, where China’s largest export factories are situated, fell by nearly 10 million in 2009 to 32.82 million. The Yangtze River Delta saw a fall of 7.8 percent or 2.38 million people in 2009, as workers prefer to live in the smaller cities or in cities nearer home where the cost of living is lower.

Following the Chinese New Year break, half the six million workers who went home did not return to work in the Pearl River Delta,

forcing factories to raise wages. In Zhejiang for example, there were 400,000 vacancies, a 19 percent increase on last year, with the number of registered job seekers just 106,800, a fall of 30 percent. Guangdong alone was short of 900,000 workers and Dongguan 200,000.

Since 2004 the government announced that city governments had to give similar access to schools to migrants’ children. This was a cynical propaganda exercise and the government did not provide any additional resources.

In January, dozens of schools for migrants’ children in Beijing were marked for demolition to make way for new construction projects. Up to 10,000 children have had to leave and most have been sent back to their hometowns. The school owners have been unable to establish new schools because they have received no compensation from the government, which claims they are unlicensed although they have been allowed to operate for years. There are 300 such schools, but only 70 are licensed.

While there has been some reform of the *hukou* system, this has largely been in the small cities and targeted migrants from the same province, prefecture or county, although most work outside their own area. China had 655 cities by 2008, 122 of which were mega-cities, with more than a one million population, and 118 were big cities with a population of 500,000 to 1 million.

Shanghai, a third of whose 19 million inhabitants do not have permanent residency, makes much of its reforms, but these too have been cosmetic. In February last year, the city announced that it would give residency permits to migrants who satisfied certain conditions—that they had contributed to the city’s social security system for at least seven years, were taxpayers, had medium or high level vocational qualifications, had a clean credit and criminal record and had not broken the strict family planning rules. The authorities said that only 3,000 people had fulfilled all the requirements for *hukou*. The governor of Guangdong province has said that it might give residency permits to a maximum of 600,000 migrants a year, at best a drop in the ocean.



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