Status of Rural Migrant Workers in Chinese Cities

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The post-1990s economic boom in China is largely associated with an increasing rural-urban divide and a decline in formal wage employment in the urban sector. The case of workers in the Shenzhen special economic zone in south China is representative of this trend. When agriculture was de-prioritised there was an exodus to the cities. The “peasant workers” in Shenzhen are forced to pay taxes and fees in their native villages but are not officially accepted as urban workers and cannot enjoy the urban-based facilities that the latter do. They work in abysmal conditions for long hours and are not paid regularly. Moreover, any protest leads to instant job loss.

Shenzhen city, located on the southern edge of China adjoining the border of Hong Kong, was formerly known as the Bao’an County. Parts of the county adjoining Hong Kong were included in the Shenzhen special economic zone (SEZ) during its inception in 1979, the rest remaining within the Bao’an County under the jurisdiction of Shenzhen. Development inside the SEZ was closely monitored while outside activities were in the hands of the local entrepreneurs and authorities. By the early 1990s, several areas of the Bao’an County – namely, Longgang, Shajing and Buji – emerged as major export processing centres with hundreds of factories employing millions of workers on their shop floor areas. Currently, a large number of factories are relocating outside the SEZ to take advantage of the lack of monitoring there. At the same time, the official demand of the Planning Division of the Shenzhen SEZ to include the entire Shenzhen city within its jurisdiction is gaining ground.

Success stories of China’s “economic boom” during the past 30 years systematically project Shenzhen (popularly known as the “instant city”), as an encapsulation of fast track reform. To a newcomer’s mind, Shenzhen’s showcase boulevard – Shenzhen Avenue, lined with skyscrapers of gleaming steel and reflective glass – generates an uneasy consciousness about the “mega” structure of neo-liberal post-modern architecture and its characteristic alienating capacity. Shenzhen pulsates with the energy of an estimated 12 million residents, mostly young migrants who, according to Weil (2008), have a stable average age of 27 years that stands in contrast to the older average age of the county as a whole. However, the city does not belong to the young migrants; they are not allowed to integrate with its economy, infrastructure and civic amenities. Their stay in Shenzhen is marked by an overwhelming feeling of insecurity and temporariness.

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The following part of the article narrates the imperatives of rural outmigrants moving into cities in post-reform China and focus on their working and living status in urban destinations in general, and Shenzhen, in particular.

Peasants’ Entry into Cities

Due to the fast track industrialisation and economic reforms introduced in China since the early 1980s, communes were dismantled and peasants dispossessed of their land to become excess labour in the rural sector. Unable to support themselves on agricultural activities (agriculture was thoroughly de-prioritised), they migrated from the countryside to the booming coastal cities to become a caste of flexible, super-exploitable, disposable workers (Lotta 2009), the primary human resource for industrial operations. Economic growth in rural areas slowed down considerably in the mid-1980s. By the early 1990s, most rural areas were in a state of stagnation (Wen 2008). A huge population of surplus rural labour, numbering approximately 3,80,000 million outmigrated from their respective native places to form China’s “backbone of urban industrial labour force” (Ministry of Labour and Social Security 1994). State-owned units in several cities at this time started hiring extra staff, much above the quota, in order to create “low wage high employment”. A resultant “hidden unemployment” showed up affecting about three million people. The trend continued thereafter. The Chinese population census of 2000 shows that there were around 144 million migrants in different cities of which 42 million had come from other provinces (State Statistical Bureau 2000). The primary areas of outmigration were Sichuan, Anhui, Hunan and Henan. The primary motive for outmigration was poverty. The principal recipients of rural migrants are Guangdong, Shenzhen, Zhejiang, Jiangsu, Shanghai and Beijing (State Statistical Bureau 2006).

The contribution of rural migrants towards the industrial prosperity of China, however, could not create any reverse movement of capital or infrastructural development initiative in the rural areas. Since the 1980s, almost every type of urban centres – cities, towns – industrial or commercial, have drawn rural labour who,
due to long spells of poverty in villages and lack of employment in the agricultural sector, had no option but to volunteer to join the urban labour force. The influx of rural migrants especially got intensified from the mid-1980s. With the reform in urban labour employment system, the influx of cheap labour from the rural countryside increased by leaps and bounds. It is not unusual now to find migrant wage labourers in the export sector working 80-hour weeks in factories in abominable health and safety conditions (Lotta 2009).

And 72% of the country’s migrant workers are owed unpaid wages which goes to make up an important source of capital accumulated by private and foreign firms (Chan 2003; Harvey 2005). Who does not know that China’s prosperity is largely owing to the overexploitation of labour, especially the rural migrant labour?

It needs special mention that “peasant workers” in Chinese cities, in general and Shenzhen in particular, are forced to retain their rural “Hukou” (Hukou in China denotes household registration system introduced in the 1950s for the inter-district or inter-province migrants in cities to monitor their rural residency status) status even while working in cities. This means they are not at par with urban workers and hence cannot enjoy the urban-based facilities that the latter enjoy; at the same time, they are also not identified as peasants as they do not work in the agricultural sector, and have left the farmland to work in cities. The entire process places them in a highly marginalised and vulnerable situation, torn between the identities and privileges of urban and rural workers, belonging nowhere. In 2001, the Chinese Ministry of Agriculture noted that 78 million peasant workers left the countryside to join the urban labour force which rose to 89 million in 2003. A non-governmental organisation (NGO), the Institute of Contemporary Observation (ICO), located in Shenzhen and working for the workers’ rights, noted in its 2003 survey report that every year 10 million more peasant workers enter into cities to work. In 2003, their total number was around 150 million.

The ICO survey reports indicate that the villages where a majority of the migrant workers of Shenzhen hail from are in the Renshou County in Sichuan province. The type of destitution that the rural population faces in these areas has converted them into “voluntary migrants”, who move into cities and become daily wage-earners. Daily wage income, in reality, effectively constitutes a large part of their total net income (in 2001 it was 31.1%). Although their hard work obviously has brought down the input cost in industrial corporations, the overall actual wage income of peasant workers, however, lagged behind the wage income of their urban counterparts. In 1995, the difference between the two was to the extent of 7,381 yuan meaning that for every peasant worker, there was an annual saving of 7,381 yuan in comparison to an urban worker. Taking the total of 95.46 million peasant workers (Ministry of Labour and National Bureau of Statistics 1995), the total economic accumulation from peasant workers’ wage income was 704.6 million yuan, nearly 90% of the total gross domestic product (GDP). As Sichuan Province sends the maximum number of peasant workers to different Chinese cities, it has given rise to a “money-order economy” back in Sichuan. This is similar to the case of Ratnagiri district in Maharashtra that used to send the largest proportion of rural workers of the state to Mumbai in the early part of the 20th century to work in the cotton mills.

Status of Rural Migrants

The majority of the rural migrants are young, hailing from poor interior rural areas like Renshou County. For some, the pull of the glitter of city life worked more than the critical push factor was the declining, unsupported rural economy. Their migrating out from the native villages was also a reflection of the transformation in the farming sector itself, that is, increase in mechanisation leading to rural labour surplus. This new level of mechanisation featuring use of tractors, fertilisers and pesticides has undoubtedly increased the agricultural productivity, but simultaneously made a huge rural labour force expendable, especially the younger generation.

Land in China is part of state property; since the late 1980s efforts were made to create a legal basis for trading in use-rights and leases, especially in SEZs (Huang and Yang 1996). In 1987, under the Land Administration Law, use-rights were created whereby the provincial governments, municipalities and SEZs were empowered to make their own land regulations. Resultantly, by 1991, administrative allocation of land gradually gave way to the domination of property markets with SEZs in the front rank of the programme. Its impact on rural land needs elaboration because of the dual ownership pattern of rural and urban land in China.

There are some complexities in the functioning of the ownership, however. While the urban land directly belongs to the State, the rural land belongs to the village commune. In 1980, individual rural families were also granted some specific contract rights for their land under the Village Commune Reforms Act (Weil 1996). Hence, only urban land use rights could effectively be transferred to private parties while the rural land-use rights could be transferred only to the State which had the power to declare it as urban land and sell its development rights (Gopalakrishnan 2007). This paved the way for big business, big capital and real estate to enter into the land market, making the agricultural land and the farmers’ tenure extremely vulnerable, especially in areas near the SEZs or other urban development projects. In China compensation for farmland has always been low (a feature common in India too) than the market value of these lands. Between 1992 and 1993, 1,27,000 hectares of land was given away to real estate whereas till 1996, only 46% of this land was actually developed (Huang and Yang 1996). This nature of land transfer was integrally associated with the growth of SEZs and by 2006, their total number in China was 54. Taking SEZs as a development model, various municipal and local governments started their own special developmental zones, providing them with special infrastructure along with subsidies, leading to marginalisation of people with original land rights.
During the 1990s such zones proliferated in different parts of China. According to Cartier (2001), in 1993, their number ranged between 6,000 and 8,700, covering an area of more than 15,000 square kilometres. Interestingly, many such zones were established by violating national and provincial regulations. By 1994, the national government made 100 such zones null and void (Huang and Yang 1996). As mentioned, the above zoning practice made the arable land in China excessively vulnerable and by 1995 approximately five million hectares of arable land were transferred to infrastructure and real estate. From 1990-97 in the site of Xiamen SEZ in Fujian province, 3,50,000 hectares of arable land were transferred to industry. According to Cartier (2001) the SEZ model promoted a process of land development in China that has never addressed the issue of improvement of cultivation or arable land or livelihood of millions of people depending on agriculture and the natural resource base.

The net result was a huge reduction of investment in agriculture, reduction of arable land, increase of rural labour surplus and large-scale outmigration from depressed rural areas to the so-called glittering development zones where an equally hard life awaited the rural migrants. The following sections narrate the plight of the rural migrants in Shenzhen city and Shenzhen SEZ, in particular.

**Status of Rural Migrant Workers**

In order to have a proper understanding of Shenzhen's demography, it is important to know that 95% of its residents hail from other parts of the country and are between the average age range of 18-25 years. In 2005, 4.32 million migrants in Shenzhen were more than one year old in the city while more than four million were found staying for less than a year (Shenzhen Daily 2007). Both the groups stayed in Shenzhen without hukou of the city. They came in their teens, worked for a few years in export-oriented factories under harsh working conditions after which they were not considered “young” and “energetic” any more. Some moved out of the city in search of jobs, some have returned back to their villages; very few have lasted in the factories in Shenzhen till middle age (Weil 2008).

In October 2009 I interviewed a few NGOs in Shenzhen that were trying to monitor the working condition of migrant workers in the factories and the achievements of the corporations with regard to “Corporate Social Responsibility”. According to them, Shenzhen has a total population of 12 million out of which seven million are rural migrants having almost no legal or social protection. The NGO found a very high death rate among them, a large number being child labourers. According to Weil (1996) this phenomenon had greatly reduced in the post-revolutionary years in China. Legal protection for workers is not only severely limited in Shenzhen, it is further undermined by official corruption and favouritism. A majority of the migrant workers receive less than the stipulated minimum wage and 50% of the firms in Shenzhen owed their employees huge wage arrears (Gopalakrishnan 2007).

The problem of migrant workers not getting paid on a regular basis is a common phenomenon across Chinese cities. In desperate situations, some even commit suicide. Losing their jobs is common for workers who protest against non-payment. It is a widely known fact that the workers in China have no possibility of forming unions besides the State-run ones. Thus the workers of the State-owned corporations have to seek justice from the oppressors themselves. In the case of private Chinese corporations or other factories, there are instances of large-scale collusion between the government and the corporate groups. Some larger Shenzhen enterprises, such as, Fox Conn, have complaint procedures. But if the grievances of the workers are ignored, they can do nothing. Hence, the workers protest when things become unbearable.

In 2006, their desperation reached such a level that there were 10,000 “wild cat” strikes in Shenzhen that year. More common are small-scale mild protests, such as, slowdowns and work stoppages, virtually every day. In 2005, there was a strike in one of the companies where the workers were forced to put in almost endless overtime from 8 am until midnight, being paid only two yuan extra per hour. Some 2,100 workers out of a total of 3,000 in 21 plants refused to return to work for a week after the New Year. The company finally offered higher pay and reduced the working hours but the workers wanted written guarantees. In the end, all 2,100 workers were fired and the company brought in a new set of workers with a new contract (Weil 2008).

The ICO conducted a study in 2005 on the working conditions of 180 rural migrant workers in Shenzhen. All had worked in the city for more than 10 years and were living there with their family. They were engaged in different types of manufacturing works including construction work and services. As usual, their registered hukou was in their native villages and all the rights related to hukou – political, civil, children’s right to compulsory education, – were located in the village. More than 10 years of work and stay in Shenzhen had not earned them the right to basic urban services like housing, health or children’s education in the city. The officials of ICO stated that all these workers were forced to pay taxes and necessary fees in their native places and were not allowed to integrate with the city system through a city hukou. They were living in Shenzhen almost like outlaws. At the same time, they were not able to use the infrastructure for which they were paying in their native places. Looking back, since the 1980s, when China initiated reforms, the peasants were liberally allowed to migrate to urban areas to join the urban workforce. It was a clear case of exploiting cheap rural labour for working in industries. Given the hardship of village life, it was a welcome offer for the rural population too. Little did they know that policymakers and the government would continue to exercise control over their movements and living rights. The local government and labour administration bureaus established Employment Intermediary Agencies and Labour Mobility Management Units to oversee their flow and control their mobility. The 180 workers, monitored in the above manner, were sent to Shenzhen by a government-run agency (ICO 2005). According to the ICO person nel, due to corrupt practices of local government officials, these peasant families did not gain in any way by their moving into Shenzhen. Moreover, their gradual loss of economic rights led to the loss of their political, social and cultural rights. Actually, on the socio-ecological interactive system, their powerlessness went on
multiplying. As all the above rights are part of an integrated system, their loss was total. They could never earn the identity of urban workers and also lost their previous functional identity as peasants.

**Predicament of Rural Workers**

The migration of peasants in China from rural to urban areas creates three distinct layers in the occupation pattern among the migrants at destination points. The first group includes peasants who come to work as wage workers in factories as temporary/seasonal labourers. During the early years of reform in the 1980s, this group played a significant role in developing “township enterprises”. Although local rural workers, on whose land such enterprises came up, constituted the primary contingent of labour as both permanent and contract workers, rural migrant workers (who are also known as peasant workers) hailing from distant regions and joining as temporary/seasonal workers were equally significant: 10.84 million peasants from outside the regions supplemented the local rural workforce. Although this proportion came down by 50% (Ministry of Labour 1997) in the 1990s, they still go to make a large contingent of temporary wage workers in Chinese cities.

The second group comprises the rural workforce engaged in business and service industry in cities like Beijing, Shanghai and Guangzhou. They constitute a huge contingent of the informal workforce of these cities. They work as baby-sitters, vegetable vendors, own small shops/workshops of garments, apparel and other merchandise or fast food stalls. Few even work as garbage scavengers (ILO 2005). They all contribute considerably to the economy of the large cities.

The third group migrates directly to the economic zones located in the coastal areas, to work in the modern industries. They have actually become the main workforce in the S.E.Z factories. In 2003, the National Bureau of Statistics reported that the rural migrants constituted 57% of the manufacturing workers and 75% of the construction workers in several coastal cities. In Shenzhen the peasant workers accounted for 75% of the total labour force who have fallen prey to the pitfalls of a free market economy.

Their major problems are identified as follows:

1. **Long Working Hours**: Chinese labour law states that the daily working hours should not exceed eight hours and an average work week should not exceed 40 hours. The additional work time, after official agreement between labour unions and workers, should not exceed one hour a month. In special situations it can be three hours a day and 36 hours a month. In addition, the health of the workers must be protected. An ILO survey of 2005 reveals that 50% of the peasant workers were found working for more than 60 hours a month, resulting in falling health and decreasing productivity (ILO 2005).

2. **Low Wages**: Although the overtime hours have been found to have steadily increased, the income of the peasant workers do not show any corresponding rise. Many factories do not pay overtime wage as per the law and nearly 30% workers do not meet the local minimum wage standard. Interestingly, while the wages of the peasant workers have decreased, living costs have increased due to government-induced reforms, affecting the workers’ budget on basic family expenditure. Near Guangdong, women peasant workers face a double-edged impact: while they spend a substantial amount to meet the higher living cost in the city, they also have to pay taxes, and spend on their children’s educational and medical expenses (that has seen a 100 times rise in 20 years) in the villages.

3. **Lack of Social Insurance**: Peasant workers do not enjoy any additional security, besides the one applicable within the workplace and which ceases when they leave the job. Female workers have to give up jobs at the time of marriage as they are not entitled to maternity leave or allied benefits. In Guangdong, the general practice of the companies is to buy insurance policy for less than 50% of the workers, disregarding the prevailing labour laws that guarantee social security to 100% of the workers. This corrupt practice is possible due to the unholiness connivance between the companies and the social insurance administration agencies that earn money from such deals (ILO 2005).

4. **Unstable Employment**: This phenomenon is rampant in the export-oriented manufacturing companies located in the...
coastal economic zones of China. In the Pearl River Delta area, for example, the seasonal nature of jobs associated with tremendous insecurity, is a common feature. Most of the contracts are made for a year and nearly 50% of workers leave after that period is over. Some factories control the workers’ movements by holding back their wages. Nevertheless, workers have been found to quit even at the cost of losing wages. A survey carried out in Shenzhen by the ILO in 2005 reported that 96% of the workers had to send money to villages every month; 52% of these workers experienced a decline in real wages, 76% did not have work injury insurance, 86% did not have health insurance and 99% of the workers’ families did not receive any social assistance in the city. The total living area of each family in Shenzhen was 250 sq ft where the children, their parents and grandparents were forced to sleep in bunk beds, all in one room. Of these families 98% did not have social insurance in their native villages either (ICO 2005).

The same sample survey reveals that in Jianye Corporation of Shenzhen, almost all (99%) the peasant workers experienced delayed payment of wages while 92% had sought assistance from labour unions, but only 19% of the cases were taken up. So far as the working hours are concerned, more than 88% worked for 11-12 hours a day and almost all (99%) were denied overtime payment as per the prevailing law. Following a labour dispute in 2003, the room rent for workers was drastically raised by 75%, and the company stopped paying water and electricity charges. Again, 88% left their jobs to find new ones where they again started working for 10-12 hours a day (ICO 2005).

(5) Experiences of Discrimination: There are various forms of discrimination that the peasant workers in Chinese cities suffer from:

(i) Discrimination of the Hukou System: The major source of discrimination is the hukou system. As mentioned earlier, peasant workers cannot have a new registration number in cities as their hukou remains valid in villages. This results in a denial of their formal status in the cities where they work. They live there as a floating mass with limited access to basic facilities, such as access to childcare, medical benefits, housing or social security. They are, however, obliged to pay a number of fees to the city administration, such as, temporary population administration fee, planned reproduction administration fee, non-local business personnel administration fee, or non-local construction enterprise, all as temporary city residents. All these result in a double payment towards their living cost in the city as well as in the village.

(ii) Employment Discrimination: The above situation of hukou leads to a serious discrimination in the employment system that forces the peasant workers to join the “secondary labour market”. In this sector, supply of labour greatly exceeds the demand and this results in low paid insecure jobs for the peasant workers without any insurance facility.

(iii) Social Security Discrimination: The peasant workers in Shenzhen do not enjoy any retirement, unemployment, childbirth or work injury insurance benefits. They are excluded from the Chinese government’s social security policy. Very few employers buy insurance policies for them. In case of an injury, a worker is forced to leave the job and either remain penniless in the city or return to the village without having any compensation allowance.

(iv) Discrimination in Education: In Shenzhen, the children of the peasant workers face a unique problem in joining a public school. As the public schools are not adequate in number to accommodate them the only option left is to join private schools that charge exorbitant fees. Even if they are able to join a public school, they are forced to pay an extra “supporting fee” because of their status as wards of peasant workers.

As the school fees rise sharply from the middle level, a large number of these children go back to villages after completing elementary schooling in Shenzhen. The adult peasant workers also do not enjoy any training facility that the urban local workers enjoy free of charge.

All the above discriminations are integrally associated with various types of institutional rules and arrangements that prevail in Shenzhen or for that matter, in all Chinese cities.

Conclusions

The economic boom in post-1990s China is largely associated with an increasing rural-urban divide and a decline in formal wage employment in the urban sector. Jobs created in cities are largely in the informal sector, unregulated and casual or of a contractual nature, mostly in the private corporations engaged in mega infrastructure or housing projects, manufacturing and assembling works including street trading activities (Lotta 2009). The number of laid-off workers in cities has also increased steadily since the early 1990s (Solinger 2002). In the 21st century, the unemployed in cities has reached a critical number taking the proportion to about 8% of the urban population (Tang 2003-04). The grievances of the existing workers mostly centre on their overall livelihood issues, unpaid pensions and wages, lay-offs, inadequate severance compensation and lack of social security (Kwan Lee and Selden 2008). Peasant workers, living in a more severe exploitative framework created by governmental institutional mechanisms, migration policy and a growth-oriented economy, constitute a major section of the above distressed section in Chinese cities.

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