

Transfer of Rural Labor Force to Other Sectors in China

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Introduction

In recent decade, structural problems in the transfer of rural labor force to other sectors for employment were prominent. In certain areas, there were shortfalls of farmers/workers. Imbalance existed at the same time in both demand and supply of laborers. In view of the situation, the government strengthened its efforts on work concerning farmer workers (or migrant workers). Services were improved for farmer workers who sought jobs in cities, and multiple measures were taken to expand channels for the transfer of rural laborers to other sectors.

Main policy measures

First, services were improved for farmer workers who sought jobs in cities and labor force management was enhanced. Relevant departments carried out “Operation Spring Breeze”, which would provide services for farmer workers who sought jobs in cities, help farmer workers find jobs in hometown, and help them return home and start their own business. Farmer workers were provided with information on policy, job placements as well as means to protect their rights (free of charge). Efforts were made to set up a platform for information sharing to let farmer workers move in an orderly manner.

The “Operation Spring Breeze” under which labor contracts for farmer workers were promoted in sectors where temporary jobs abounded, such as construction, mining, manufacturing, catering and domestic service was continued. So did a special program for the promotion of labor contracts in small-sized enterprises. Great effort was made to promote a simplified labor contract text that worked well with farmer workers and to promote the registration of employment of farmer workers.

Second, training for farmer workers was strengthened. Various localities and departments increased investment in training and launched vocational training for farmer workers under the “Special Vocational Training Program”, the “Transfer of Rural Labor Force to Other Sectors Training Program”, and the “Spark Program”.

Third, the mechanism for regular increases in wages for farmer workers and the protection mechanism for wage payment were improved. Wage benchmarks and guiding wage standards for human resource markets were released to guide enterprise to determine wages in a rational manner and adjust wage levels at a timely fashion. The “Rainbow Project” was continued to promote collective consultation on wages between labor and management and to create a mechanism where wages were determined fairly and where benefits were shared by enterprises and their employee.

Wage standards would be raised according to socioeconomic development and efforts

would be made to ensure income increase and payments were made on time. Special operations against late wage payments were carried out extensively.

Fourth, services for farmer workers were improved. Several regulations and policies were amended, including Rules for Recognition of Work-related Injuries. Efforts were made to push for insurance for work-related injuries in an all-around manner. Farmer workers were also encouraged to take part in medical insurance.

Public spending on schools that accepted children of farmer workers was increased to support their finances and help them improve conditions. Farmer workers and their children were included in the basic public health service system and were provided with services such as health education, disease prevention and vaccination, and maternal and child health care.

Policy effects

At the end of 2011, the total number of farmer workers stood at 252.78 million, an increase of 10.55 million, or 4.4%, compared to the end of 2010. Of the farmer workers were 158.63 million laborers who left home for jobs, an increase of 5.28 million, or 3.4%.

1) **Employment services for farmer workers were continuously improved.** According to incomplete statistics, during "Operation Spring Breeze", 44.74 million copies of publicity materials including "Spring Breeze Cards" were distributed and 24,000 job fairs were held; cost-free employment services were provided to 24.87 million people. Some 8.1 million rural laborers were moved between regions in an organized manner. Local authorities across the country recommended more than 8,000 trustworthy service providers.

Various localities innovated service models. In Beijing, Jiangsu and Guangzhou, systems were developed to monitor the movement of farmer workers in order to get to know their destinations and job vacancies. Fujian and Guangxi provinces made use of modern information technology to provide online information services. The scope of services were expanded in Jiangsu, Sichuan and Shaanxi provinces, where spiritual care for farmer workers were enhanced to help them integrate into urban life in a smooth manner.

2) **Vocational training for farmer workers was expanded.** In 2011, more than 17 million farmer workers received vocational training with government subsidies. The trainees had their skills officially verified.

3) **Farmer workers' income was increased step by step and the problems of late wage payments were alleviated.** In 2011, 25 provinces raised minimum wage thresholds, which grew 22% on average. Twenty-seven provinces released wage benchmarks for 2011, most of which grew more than 14%.

According to surveys, monthly income of farmer workers who left home for jobs averaged 2,049 yuan per capita in 2011, an increase of 21.2% compared to the previous year. Among farmer workers who left home for jobs, 0.8% reported late wage payments in 2011, 0.6 percentage points lower than the previous year. Labor supervision authorities repaid 1.292 million farmer workers 2.94 billion yuan as wages in areas or compensation for late wage payments by their employers.

4) **More farmer workers were covered by social insurance, and public services for farmer workers were steadily improved.** In 2011, 13.9% of farmer workers were covered by old-age pension arrangements, 4.4 percentage points higher than the previous year; 16.7% received medical insurance, up 2.4 percentage points; 8% were insured against unemployment, up 3.1 percentage points; 5.6% were covered by maternity insurance, up 2.7 percentage points. This year, 23.6% of farmer workers were insured against work-related injuries, a percentage slightly lower than the previous year. In addition, support was rendered to enable 11.67 million children of farmer workers to receive compulsory education in urban areas where their parents lived.

CONCLUSION

According to the statistics released by the government, the number of farmer workers will increase, and the rural labor force will decline in the near future. This will be an important challenge to China's agricultural development and the public service supply. So, government has already taken steps to cope with the labor shortage problem, which has been faced by Japan and Korea for many years. Fostering new agriculture business entities such as cooperatives, enterprises, professional farmers, etc., improving the Fair social security system between rural and urban citizens, are the two point steps. And under the influence of these policies, structural changes in China's agriculture will better accommodate future factor and product markets.

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