

Economic Analysis and Countermeasures of Migrant Workers' Problems

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Abstract Generation and development of migrant workers' problems are analyzed from the perspective of economics. There are economic factors causing migrant workers' problems; imbalance in the industrial structure brings farmers living pressure; urban modern civilization is attractive to farmers; urban economic development needs a large number of agricultural laborers engaged in manual labor. Moreover, relevant countermeasures are proposed. The dual economic structure is to be broken to gradually eliminate the barrier between urban and rural areas; an unified and standard labor market is to be established to narrow the gap between urban and rural areas; overall considerations should be taken and the reform of matching system should be quickened; the construction of urbanization is to be duly promoted to improve the level of modernization in the countryside.

Key words Migrant workers, Harmonious society, Economic factors, China

Modern migrant workers not only make significant contributions to industrialization and urbanization in our country but also provide some new thoughts for solving the issues concerning "agriculture, countryside and farmers". As the constructors of reform and opening up as well as modernization, migrant workers form a huge benefit group in modern society which can not be neglected. And migrant workers' issues have become increasingly attractive and need settling. Migrant workers have great significance in urban construction and development. However, due to reasons like institutional barriers and personal qualities, migrant workers' working in cities has caused many new economic and social problems. The research analyzes the reasons of migrant workers' problems from the perspective of economics and proposes relevant countermeasures and suggestions.

1 Analysis of economic factors causing migrant workers' problems

The fundamental reasons of the generation and development of migrant workers' problems are the pushing force of farmers' going out to cities caused by unprofitable agriculture subjectively and the pulling force formed by the demand of urban industrialization objectively. And this is also the necessary process of modernization construction in our country because without farmers' participation and transformation to non-agriculture, it would be impossible and impractical for China to achieve the jumping development from an agricultural country to a modernized industrial country^[1].

1.1 Imbalance in the industrial structure brings farmers living pressure Before the reform and opening up, China owned the dual economic structure with urban and rural areas being apart. The light industry could not be the accumulation for the heavy industry and meanwhile, the rural area had a huge population with weak economic foundation. Therefore,

the supposition of the joint development of agriculture and city industry was impractical under the national conditions. Under the planning economic system, to achieve the strategic object of developing the heavy industry with priority, the country used townships to raise cities through carrying out the policy of price scissors of industrial and agricultural products and financed the heavy industry with 200 billion yuan from the countryside, hence developed cities and underdeveloped countryside. Heavy tax burden and rising prices of agricultural means made farmers' hard work nearly unprofitable. Therefore, with political permission, many farmers began to undertake other industries. Nevertheless, under the constraints of rural agricultural productivity at that time, the production efficiency of traditional extensive farming method was fairly low. Farmers could basically sustain the lowest living cost with land income, and the second and third industry could not be formed to transform and absorb local surplus labors and enrich their families. Moreover, facilities of power, telecommunication and transportation were very poor with low urbanization and unsmooth financing channels. Abilities of township industries' absorbing surplus labors were decreasing year by year. Additionally, due to unsmooth government decrees, grass-root governments often "took off-sided power" and some industries entrapped farmers and the phenomenon seemed impossible to be eradicated, which created difficulties in carrying the blessedness caused by boosted national power to farmers in remote and impoverished mountainous areas. With yearly hard work, income of some farmers who lived on the land even showed negative growth after being deducted. Obviously overburdened, in order to support their families, farmers had to go to cities for working, leaving their hometowns and farmland behind.

1.2 Urban modern civilization is attractive to farmers Modernized cities possess higher economic efficiency. What's more, citizens can improve cultural qualities quicker, lead a high-paced life and enjoy rich social spiritual wealth, which is the yearning and pursuit of rural residents, especially rural youngsters, who

has been living in the countryside for a long time.

First and foremost, the pursuit for civilization is human beings' permanent ideal and farmers are no exception. After going to cities, farmers can enjoy more developed and modernized urban civilization. Generally speaking, there are various kinds of goods with excellent qualities in cities. Compared with those in the countryside, goods in cities are relatively cheaper because rural residents have to pay some additional fees for the same goods (such as transportation fees). City residents can obtain the wanted merchandises with lower costs so as to get more consumers' surplus. There are nearly perfect infrastructural construction, more developed transportation and more convenient communication. Advanced medical equipments and medical technologies allow city residents to enjoy better medical service. And the bottom line is that in terms of education, cities have great investment, abundant teaching faculty and reasonable educational levels. City residents own more educational opportunities than rural residents and the educational and teaching level in cities is much higher than that in rural areas. Besides, city residents can also enjoy more excellent services in sanitation, health care, culture and so on. What's more, the build-up effect and scale role help cities to provide more personal development opportunities than rural areas. After going to towns, farmers can fully play their excellent qualities of enduring hardships. If they can accept some necessary vocational trainings, there would be more room for personal survival.

1.3 Urban economic development needs a large number of agricultural laborers engaged in manual work With the reform and opening up, since the middle and latter half of the 20th century, Guangdong region, especially the special economic zone like Shenzhen, Zhuhai and Shantou, together with Shanghai Pudong New Area burgeoned in the 1990s, has been conducting fundamental construction on an unprecedented scale. Repairing roads, railways and subways, building ports, docks, airports and bridges, excavating tunnels and erecting elevated highways, along with many project items of industrial, commercial and civil constructions and rebuilding of old towns, all require a great number of robust manual workers. With the improvement of investment climate, crowds of foreign investors swarm into these regions to establish large numbers of foreign-funded enterprises and drive the boom of private and township enterprises as well as the prosperity of the third industry, such as the business, finance and service, which causes new giant demand in labor force. In a word, the reform and development of the coastal cities and areas as well as the large-scaled fundamental construction have caused great urgent demand in labor force. There is a supply-demand imbalance in urban labor force and requirement for robust physical workers is particularly urgent which shakes a complete set of system aiming at controlling rural residents' going into cities. The system which has been implemented since the 1950s takes household registration system as the core, matching with grain supply, subsidiary foodstuff supply, enrollment, recruitment, employment, housing, socialized medical services and so on. The departments

concerned begin to loosen the restrictions of farmers' working and trading in cities and allow farmers to work and do business in cities, bringing with provisions. Subsequently, various cities further reformed the systems of recruitment and grain supply, cancelled grain coupons and permitted some industries such as environmental sanitation, spinning and weaving as well as chemical industry to recruit migrant workers. And all this opens a door for large amounts of agricultural labor forces to go into cities. Migrant workers mainly concentrate on industry, construction and catering service. For example, in 2002, about 38 million people were engaged in the construction industry throughout the country among whom 27 million were migrant workers with the percentage of 71%. To put it another way, the current construction team in our country mainly consists of migrant workers^[2].

2 Economic analysis of settling migrant workers' problems

Social structure, the aggregation of social relations, consists of urban and rural structure, hierarchical structure, the structure of the rich and the poor, regional structure, population structure, industrial structure, employment structure, intelligence structure, security structure and so on. To cope with migrant workers' problems, the dual social structure formed for a long time in our country must be broken so as to narrow the gap between the urban and rural areas. A sound social structure plays a significant role in social development. A reasonable social structure is embodied in well-planned various social factors and balanced development. Middle-income bracket becomes the main part of the society. Besides, it is also embodied in the harmonious coexistence and coordinated development among city residents, the urban and rural areas, different areas as well as the rich and the poor.

2.1 Breaking the dual economic structure to gradually eliminate the barriers between the urban and rural areas

The dual household registration system causes the separation between the urban and rural areas and among regions and further makes it institutionally legalized that migrant workers are the "second-class citizens". It is difficult for migrant workers to get into formal labor departments from a lower labor market. They work in cities without urban household registration and can not benefit from social security system in cities, which causes unfair citizen treatment, influences the transformation from farmers to citizens, affects social stability and increases social administration costs. The government should strengthen the reform of household registration and eliminate the artificial barriers in the labor force transference. The unified household registration system in cities and the countryside should be implemented to create excellent institutional environment for establishing an equal supply and demand mechanism of labor force with free competition and institutional conditions for fundamentally settling migrant workers' problems.

The ultimate goal of the reform of household registration system is to meet the transformation in our country from rural agricultural society to urban industrial society, coordinate social

management system with market economy, change the urban-rural dual system, eliminate the system of unequal rights of urban and rural residents attached on the registered households and ensure citizens' freedom of migration and residence, which is beneficial to peasants' transference to non-agricultural industries and towns as well as the development of industrialization and urbanization. The institutional orientation of the reform is not to abolish household registration management, but to eliminate the deprivation and infringement of citizens' freedom and rights attached on the old household registration system. Thus, any citizen can freely live in any place of the country and equally enjoy any deserved right in the country, including rights of employment and education. Household registration would only possess meanings of symbolizing residence and equal rights of the urban and rural residents would be realized^[3].

2.2 Establishing an unified and standard labor market to narrow the gap between the urban and rural areas An non-unified labor market would not only decrease the employment opportunities of migrant workers and reduce their salaries, but also hamper the multi-channel employment of the laid-off workers. However, the integrated labor market of the urban and rural areas is beneficial to migrant workers' employment in cities and the laid-off workers' developing high-efficient agriculture, fish breeding and poultry raising, planting and marketing, technology as well as information services. Therefore, an integrated labor market of the urban and rural areas should be built and unified employment administration policies adopted. Regulations limiting farmers' employment in cities should be abolished as soon as possible. Unnecessary identification card system is to be ridded and arbitrary charges banned to promote the free flow of labor force, realize the marketization of employment system and establish a unified labor market throughout the country. Since the right to work is the essence of the right to survival, it is much more meaningful to ensure migrant workers' rights to work than give them a permanent urban household. And equal opportunity is the key of the right of equality. It is equal to give migrant workers a fair and reasonable campaign opportunity. Prohibiting arbitrary changes on migrant workers and relieving migrant workers' burden is to increase farmers' incomes and relieve farmers' burden in some sense, which is in accordance with the policy goal of the central government on reliving farmers' burden and increasing farmers' incomes. This is beneficial to expanding domestic demand, alleviating the pressure of social security in our country, maintaining social stability and building an all-round well-off society.

To build a unified labor market of the urban and rural areas, necessary intervention of the government on the labor market is required. The construction of labor market should be strengthened according to the requirements of scientization, standardization and modernization. Firstly, safe and reliable market environment is to be created. Intermediary services of various job-introduction agencies in towns and cities should be standardized from the recruitment of the employing units and the supervision of employment information. Supervision on the order of labor markets is to be strengthened and departments,

such as labor security department, the administration for industry and commerce, police, city inspectors and the news media, should be irregularly organized to regulate the labor market together. Secondly, working quality and efficiency of various labor markets in towns and cities should be improved comprehensively. The construction of hardware facilities of labor markets is to be strengthened and market information network perfected to realize the information sharing of the supply-demand resources of labor markets. Lastly, migrant workers should enjoy citizen treatment. Identity and gender discrimination should be abolished in terms of employment to gradually guide a fair competition among labor forces from the urban and rural areas in a unified labor market, which creates conditions for migrant workers' integration into cities. The labor and social security department should reinforce the employment service for rural labor forces. And employing units should extend equal treatment to urban and rural workers in terms of management. Unified standards should be implemented for urban and rural labor forces in working hours, working conditions, labor protection and labor rewards.

2.3 Taking overall considerations and quickening the reform of matching systems Urbanization in our country is a gradual progress and migrant workers' problems can not be settled at one stroke. Stepwise reform should be carried out according to the situations and levels of economic development in each place to gradually integrate migrant workers into cities. Reform of various matching systems like public security, civil administration and social insurance should be quickened. One of the most important reforms is to change the fiscal segmentation of the local and central government in social welfare and social security, such as labor employment, education, health care and housing. A relatively unified social welfare and social security system is to be established throughout the country and the current unequal system between the urban and rural areas, migrant workers and city residents and among different regions should be broken from the benefit mechanism. Migrant workers should enjoy the same rights as city residents in using public goods and have equal social status, which is the precondition of ensuring migrant workers' rights.

The reforms of health care and education are the most important among all the matching reforms. Migrant workers should obtain basic medical security and their offspring as well as themselves should have relevant education. The reform of medical system can ensure basic medical security of migrant workers, which is not only beneficial to migrant workers, but the powerful measure of ensuring the health of city residents. Since so many migrant workers move between cities and the countryside, they are likely to be the source of propagation of epidemic diseases during the prevalent seasons when going into cities without basic medical insurance. Conditions should be created to let urban health care system cover migrant workers gradually and make migrant workers' living and working environments standard for municipal public health. Only by quickening the reforms of various matching systems, can migrant workers' problems be settled fundamentally.

2.4 Duly promoting the construction of urbanization to improve the level of modernization in the countryside

On September 29, 2005, comrade Hu Jintao addressed in the 25th collective learning of the Political Bureau of the Communist Party of China Central Committee that we should persist in taking the road to urbanization with Chinese characteristics and the new resource-conserving and environment-friendly pattern of urban development with high efficiency and harmonious society is to be formed with great efforts according to the principles of progressive resistance, land conservation, intensive development and rational redistribution. He also pointed out that urbanization is the necessary trend of economic and social development and an essential symbol of industrialization and modernization. The 17th party congress report indicated, "Development of the urban and rural areas should be arranged wholly to promote the construction of new socialist countryside. Settling the issues concerning agriculture, countryside and farmers well touches on the overall situations of building a well-off society in all respects and should be regarded as the priority among priorities of the party's work all the time. The leading position of agriculture should be strengthened and the road of agricultural modernization with Chinese characteristics should be taken. The long-acting mechanism of industry promoting agriculture and urban area elevating rural area is to be established to form a new pattern of integrating the economic and social development in urban and rural areas. Developing modern agriculture and glorifying rural economy should be the primary task and rural infrastructure construction should be strengthened to perfect rural market and agriculture service system^[4]." Since China is experiencing the crucial period of urbanization, persisting in the coordinated development of large, medium and small cities as well as towns and gradually improving the level of urbanization have great significance in broadening domestic demand, promoting the growth of national economy, optimizing the economic structure of urban and rural areas and advancing the virtuous cycle of national economy as well as the coordinated social development. Meanwhile, it is also the key of solving migrant workers' problems.

First of all, township industries should be developed to absorb surplus labor force in the countryside as township industries is the main channel of absorbing rural labor force. In 2002, employees in township industries throughout the country amounted 133 million, taking up 26.8% of rural labor force. That is, more than one-fourth of rural labor force worked in township industries. And the number increased 105 million from 1978 to 2002, which solved the employment of 55% of rural newly-increased labor force^[5]. Over the past two decades, the development of township industries liberated over 100 million peasants from the overburdened land and achieved the transformation from agriculture to the second and third industry as well as from farmers to workers, which greatly alleviated the conflict of vast population and limited farmland in the rural area of our country and improved the level of agricultural scale management as well as labor productivity. Township industries are rooted in the countryside. Farmers can be engaged in factories and agriculture at the mean time. They just leave land not

hometowns. It has been found that the township industry is the crucial method of transferring rural labor force with the lowest costs, most convenient procedures and firmest foundation, which accords with the actual situations of the countryside, farmers and national conditions most and is the most acceptable by farmers.

Besides, construction of small cities should be quickened to relieve the employment pressure of large cities. The precondition of China's modernization is to achieve the modernization of the vast rural area, especially the underdeveloped countryside of the inland. And rural modernization is always accompanied by rural urbanization. In current China, there is still 70% of the population living in the countryside with the absolute amount of nearly 900 million. If rural population with such a scale were to be transferred to large and medium cities, not only the current cities should be expanded and enlarged but an astonishing number of new large cities built, which is apparently impossible. Therefore, China' urbanization should take the road of rural urbanization and take the development of small cities and towns as the key point of increasing the number of cities as well as a grand strategy of rural urbanization. The essentials of the 10th five-year plan explicitly demonstrate that the strategy of urbanization is to be implemented to promote the joint advancement of the urban and rural areas. Socialist market economy requires various floating resources and most efficiently allocated resources. As the center of regional economy, the development of towns becomes necessary. With the road to urbanization with Chinese characteristics, the level of urbanization is to be gradually improved and the coordinated development of large, medium and small cities as well as towns persisted. Current county towns and organic towns should be scientifically planned and rationally arranged to be integrated into the development of township industries and rural services^[6] so as to further promote the advancement of small towns.

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