

How to Improve Economic Security for Rural / Urban Migrant Workers

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Abstract: We assume that migrant workers in this social group have high growth potential because of the possibility of the rural economy, which is a considerable force that supports the stable and sustained growth of the macroeconomy based on high domestic consumption and investment. There are mainly three proposals to improve the economic security of rural/urban migrant workers. Increasing the minimum wages of migrant workers in cities is the quickest way to have impacts. Although improving educational attainment, social security, Labor unions require at least 50 years to achieve, those solutions can radically solve problems.

1. Introduction

We define migrant workers as people who have rural Hukous but migrate to cities. We assume that 70% of migrant workers want to integrate into urban groups and enjoy urban resources. In this large-scale rural-urban migration, the rights of migrants have not kept pace with those of urban workers even both of them live and work in the cities due to China's unique institutional setting. Migrant workers should also enjoy the same rights as citizens, and it is the country's responsibility to accomplish the goal. As migrant workers account for 38.04% of the total employed population, improve the economic security of migrant workers can stimulate migrant workers' enthusiasm to work.

2. Minimum Wage

Although the influence of increasing minimum wages is minimal in the future, according to YangZhengXiong, it is the quickest way to have a considerable impact - promote the wage level of low-income migrants workers(YangZhengXiong 117) [3]. Migrant workers' wages are still too low now. For example, the minimum wage in Shenzhen now is 2200 RMB per month, which is not enough to live according to a migrant worker from Shenzhen. The worker states that house rent already costs 1600 RMB per month, while 600 is insufficient for transport and food costs. The monthly wages of workers should be increased as it will also increase hourly wages(YangZhengXiong 117)[3].

However, there should be a compromise between enterprise and migrant workers when considering how much the minimum wages should be increased, and Professor Xiang from Central China Normal University suggests that the government should negotiate between enterprise and people as the companies cannot afford if the minimum wage has increased too much. Therefore, the government should increase different amounts of minimum wages based on the development of different cities [4]. For example, the minimum wages of workers in first-tier cities should be higher than in other cities. Professor Fu from Shenzhen university argues that the minimum wage of Shenzhen workers should be increased to 2500 RMB. It maximizes the improvement of migrant workers' lives on the premise of protecting enterprises.

3. Education

Improvement in migrant workers' educations plays as an effective long-run solution. If they can get an undergraduate degree, it will increase the opportunities to find better jobs. Therefore, the proposal aims to provides two types of education. Better education for workers' children to get the

same education as citizens and provide education for workers who have already started to work to change to better jobs. Professor Fu from Shenzhen university suggests that the education system can follow the example of the Taiwan region's - excellent teachers are always exchanged from different schools so that all the schools are getting a similar level of education. Professor Xiang from Central China Normal University also suggests that the government should improve the educational management system. Schools should accept all the students nearby, instead of people with urban hukous - a modern means of population registration, or who have bought houses nearby.

Furthermore, the money funded by the government for education should be based on the migrant populations. Education funds should be based on where the migrant children live instead of putting all the money in rural or urban areas. While if worker's children stay in rural areas, the educational level in those schools should be similar to schools in cities to achieve equality between urban and rural areas in 2050 (Xiang, Jiquan).

Migrant workers should also get educated since part of the reasons they get low paid is the superficial level of their work. China has industry reform to eliminate industries that required low-skilled labor now. In the future, machines will replace the labor force, so it is urgent for those workers to improved to skilled laborers. Nevertheless, most migrant workers do not have time to attend training and are usually unwilling to pay. However, companies with government support should have pre-job training for migrant workers. For example, Foxconn has training courses for workers to be more skilled and further increase companies' income. However, Foxconn only trains those workers to become better "Foxconn workers," but the skills could not be used in worker's future careers. As a result, the proposal aims to improve workers' labor skills and comprehensive quality. At the same time, companies are responsible for workers' labor skills. The government and workers should voluntarily receive a higher education, so there are opportunities for advanced work, such as hotel manager, instead of simple low-skilled work. According to Professor Xiang from Central China Normal University, the government should provide financial support for enterprises, such as tax relief, to motivate enterprises to train migrant workers in skilled labor.

4. Social Security

Most migrant workers nowadays, no matter what jobs they have, do not have China's social security system - which consists of five different types of insurance, plus one mandatory housing fund. The five "insurances" are pension, medical, unemployment, work-related injury, and maternity insurances (Gidon Gautel, Zoey Zhang) [5] as a standard white collar. According to Professor Liu from Tianjin Polytechnic University, the most urgent insurance companies should provide for workers is work-related injuries, while only 33.7% of migrant workers have work-related injuries, and only 37.78% of workers have medical insurance (Lu, Haiyang)[6].

The take-away deliveryman we interviewed told us that the only insurance is safety insurance, not even health insurance. One migrant worker we have interviewed whose job is to do housework told us that no insurance could protect them. Three out of four interviewed migrant workers preferred having "lower-income with insurance paid" to enjoying "current income without paid insurance." Therefore, it is urgent to ensure the livelihood of migrant workers. The government should introduce a policy for companies to enforce. All the companies have to provide workers with China's social security system if they stay for more than one year to provide stabilized work that benefits both companies and workers. The unintended consequences are that some small companies might disappear, but fierce competition can increase the average level of companies.

5. Labor Unions

Although in 2008 the new Labor Contract Law (LCL) established formal legal channels to protect workers' rights, unfortunately, the legal system in China is still weak, and laws and regulations are often not enforced, particularly if they relate to marginalized workers(Alison Booth, Richard Freeman, Xin Meng, Jilu Zhang, 2)[7]. All the migrant workers we have interviewed do not

think current unions are helpful. However, governments should promote the progress of the Union. If a union can guarantee workers' livelihood, they are willing to pay part of their salary to join.

One person was even ready to represent those workers and help their group get the benefits that belonged to them. Although Unions are successful in the United States, the unintended consequences can cause convulsions due to revolts and the suspension of work. When there is a massive strike, the whole country's economy will be affected, and a prolonged strike could have gigantic adverse effects. However, there should be a Union that existed for workers instead of just letting the strong Chinese government interfere directly is that it will cost too much to do that. Furthermore, local governments sometimes cooperate with companies to let the country have better development, so it is hard for local governments to effectively guarantee migrant workers' economic security.

Therefore, governments must support unions so that workers' rights can be protected. Thus, in China, according to professor Xiong from Tianjin University, the government should combine with trade unions to have enough rights to negotiate with companies. According to Trade Unions and the Welfare of Rural-Urban Migrant Workers in China, Chinese workers in companies that are non-union can only get an average monthly real wage of 2973.39 RMB per month, while unionized workers can get 3106.06 RMB even they are non-members. If migrant workers are members, they can get an average of 3423.89 per month (Alison Booth, Richard Freeman, Xin Meng, Jilu Zhang, 28) [7].

6. Conclusions

China nowadays is facing serious significant problems on rural/ urban migrant workers' economic security. Increasing minimum wages, improving education, improving social security through Unions are three main proposals to solve the problems. A positive impact will be provided by improving economic security for rural/urban migrant workers, and China is likely to have a more stable society with advanced developments.

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