

Internal Migration and Social Security in China

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1. Outline of the details of international visits and objectives

The project ‘Internal Migration and Social Security in China’ was supported by the Academy of the Social Sciences in Australia under the Australia-China Joint-Action Program in 2013-14. This project aimed to strengthen and extend our understanding of the contextual factors that influence both rural-urban migration and social security participation through a pilot study in a destination area which exemplifies the major target of migrants in China. Wuxi city, one of 16 major cities that form the largest urban cluster in the Yangzi River delta, has been selected for the pilot study. In collaboration with the Institute of Population and Labour Economics (IPLE) at CASS, we have carried out the following activities:

- 1) In September 2013, Prof. Gao Wenshu at IPLE visited the Australian Population and Migration Research Centre (APMRC) at The University of Adelaide. He presented a seminar to university academics and postgraduates from the disciplines of geography, demographics, Asian studies, public health, economics, international study, and gender research on issues surrounding rural-urban migration in China.
- 2) In the period February to March 2014, I (together with my colleague Prof. Andrew Watson who obtained other funding outside this project) visited China. We had a number of discussions and interviews with the following groups in Beijing. They shared their research findings with us.
 - The World Bank Beijing Office.
 - The Ford Foundation Beijing Office.
 - The IPLE, CASS. This Institute is a leading research think tank in social security and worked with the World Bank on a large survey of rural social security in Chengdu in 2010.
 - The Rural Development Institute, CASS. This group has conducted a major research project on rural well-being.
 - Institute of Social Security, Ministry of Human Resource and Social Security. They briefed us on current policy developments in China.
- 3) In March 2014, with the great help of our colleague at Wuxi Comparative Research Institute of Private Economy & NGO in Wuxi city, we were able to get official permission of our meetings with government departments in Wuxi. We had a series of excellent meetings with some 30 key informants including policy-makers from municipal government departments of Wuxi, practitioners in social security management and service provision, research experts, and employers from major industry sectors.
 - These officials came from the municipal government departments including Development and Reform; Bureau of Social Security Administration and some of its divisions at the district level; Population Planning Commission; Education; and Centre for Social Security Funds Management. They provided us with good overviews of local policies and procedures pertaining to social security schemes and their implementation.
 - We had several meetings with approximately 10 managers of selected industries that primarily employed migrant workers, involving hotel/hospitality and manufacturing. Questions discussed with them focused on their perceptions about, and responses to, each of China’s compulsory social security schemes (aged pension, health, unemployment, injury and maternity insurances) to which their enterprises should make monetary contributions; differing treatment (i.e., insurance rates covered by the enterprise) to different groups of workers (e.g., employed local urban residents vs. migrant workers; migrant workers who have obtained urban hukou status vs. those who have not obtained); and difficulties in recruiting and retaining migrant workers for these industry sectors.
 - Also we had a discussion with experts having substantial research experience in social security issues in Wuxi.

2. Project outcomes and research findings to date

2.1 Outcomes

- Using the example of Wuxi city, a joint paper with our Chinese colleagues on the topic of migration, urbanisation and social security policy development and adaptation in Wuxi is being prepared for possible publication in an international journal.
- Both institutes (IPLE and APMRC) will collaboratively do research on China's social security and urbanisation and their impact on the migration dynamics in China.
- The pilot study in Wuxi provides a useful evidence-base for our current project that has been recently funded by the Ford Foundation on internal migration and social protection in China.

2.2 Research findings

- As the importance of the migrants to the Chinese economy has increased, however, and as the supply of surplus labour from the rural areas has declined, there has been growing pressure in China to recognise the migrants as full urban citizens and to grant them equal access to higher wages and welfare conditions and to urban social security enjoyed by established urban citizens.
- Policy developments in China placed further emphasis on the urbanisation process. The large-scale and rapid urbanisation envisaged by the Chinese government in the current phase of its industrialisation requires the transfer of migrants to urban areas and the consequent integration of the migrants into urban administration and services. The National Urbanisation Plan 2014-2020 (issued on 17 March 2014) specifically called for improvements in social services and welfare for migrants. The policy environment thus gave added significance to research into this area.
- The decentralisation of China's social security system creates barriers to the integration of rural migrants in the urban areas but also provides space for local policy adaptation in response to the migrant presence and innovation in the face of local conditions and responses to the evolving national policy framework.
- We discussed some key directions of current policies and some of existing obstacles to China's proposed integration of the currently fragmented social security system. As an interesting highlight, the large cities and affluent areas with sound social services (especially providing access to public schools and medical/health services) seem to remain resistant to reform. The costs of opening social security policies to migrants in cities would be tremendous to the local budget. For example, it was estimated (by the IPLE at CASS) that the total budgetary cost of service in Beijing would be about 10 times the national average should such services be open to migrants in the national capital.
- Research into rural-urban migrants and their social security issues will continue to be a priority for international research community as well as major NGOs' support in China in the coming years.