

The state as a broker in international labour migration: the case of Xinxian county, China

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Migration and Rural Development

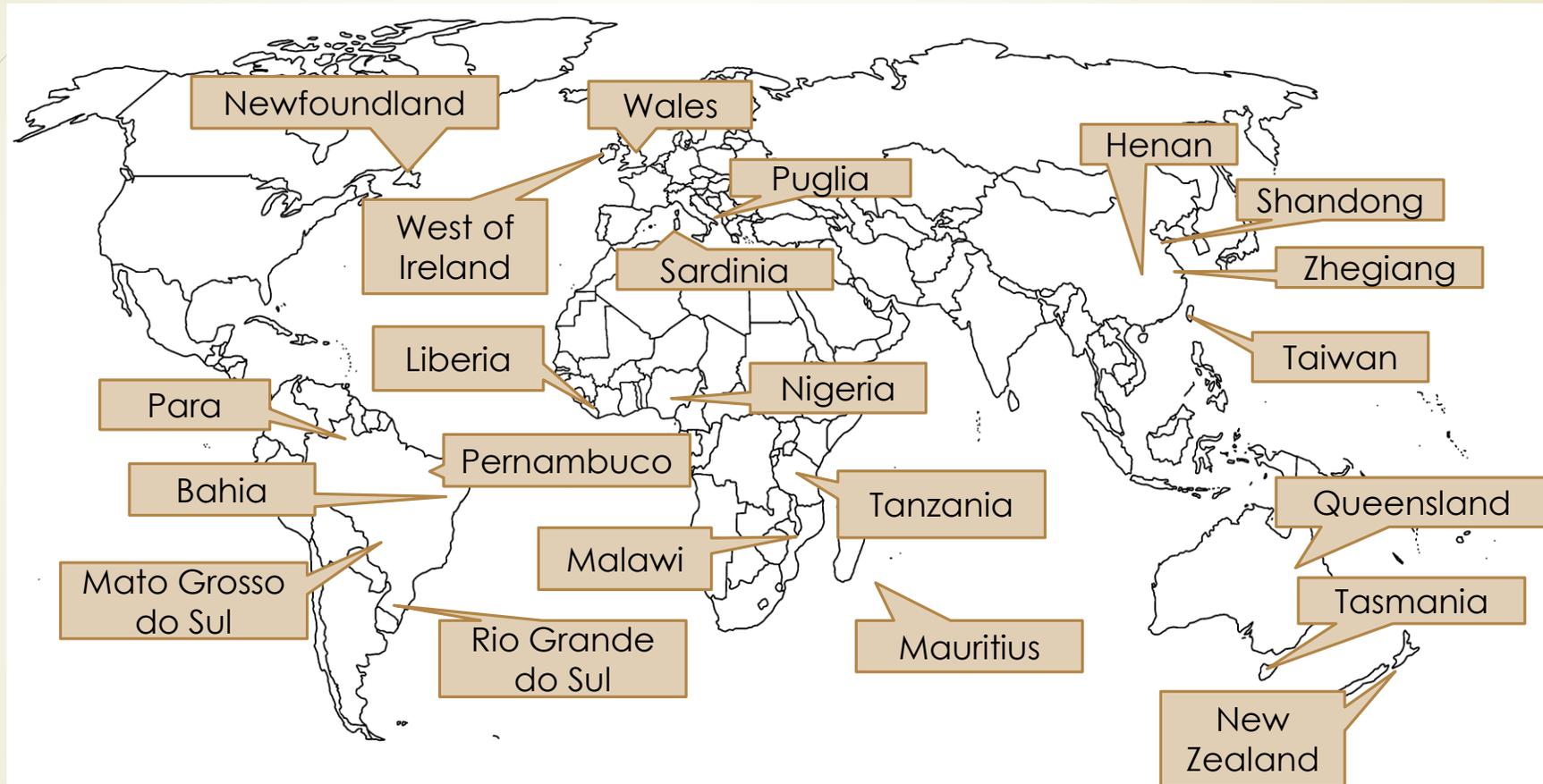
- Many rural areas are suppliers of migrant labour to the global economy
- Remittances from migrant workers important source of income for many rural communities
- Return migrants as entrepreneurs
- Migrant workers as agents/brokers for trade
- These contributions of migration to rural development tend to be informally organized
- Rural development programmes more focused on retaining residents, reducing out-migration and encouraging in-migration



The state as
labour
broker

**Xinxian
County,
Henan
Province,
China**

GLOBAL-RURAL



European Research Council Advanced Grant

Exploring globalization in rural regions
Applying an assemblage approach



GLOBAL-RURAL

- ▶ Research in Xinxian County conducted in collaboration with the China Agricultural University, October 2017
- ▶ Research team: Francesca Fois, Michael Woods (AU), Huifang Wu (CAU) + 2 CAU postgrad students
- ▶ Interviews conducted in Chinese, all recorded, transcribed and translated
- ▶ 25 interviews completed with local government officials, returned migrant workers and relatives of migrant workers



Xinxian County

- Remote mountainous area of Henan province
- Classified as a 'poverty county'
- Total population of the county is 354,000 with 40,000 classified as living in poverty (less than 3400 RMB per year (€430 per year))
- Beneficiary of national and international poverty alleviation programmes and aid
- Experienced significant out-migration for work



Labour Migration

- ▶ Domestic labour migration started around 1983, to major cities
- ▶ Xinxian residents given privileged access to jobs with the China Construction Company
- ▶ From 1993 onwards, workers from Xinxian county started to be sent abroad to work on China Construction Company projects in other countries
- ▶ Introduced the possibility of international labour migration





Revolutionary history





Labour Migration



- ▶ Labour migration as a response to poverty
- ▶ “There was a sufficient number of labor force in Xinxian. But there were a lot of mountains and hills. The farms were small. People were relatively poor. Working in other places become an effective way to make full use of the surplus labor force and increase their income.”
(Secretary of International Labour Bureau - 10/2017)
- ▶ Xinxian Bureau of Labour introduced a scheme to place workers from county as migrant workers in Japan and South Korea in 1997
- ▶ State-sponsored and brokered labour migration



Labour Migration Schemes



- ▶ Japan: Technical training through internships, aiming to improve the technical ability of workers. Range of employers, including Mitsubishi
- ▶ South Korea: Employment in construction, agriculture and manufacturing, including Hyundai. Mainly manual labour.
- ▶ Contracts of 3 years – contract in South Korea may be renewed once; contract in Japan cannot be renewed
- ▶ Wage of 10,000 RMB per month (€1250). Migrants typically return with savings of 300,000 – 360,000 RMB (€37,000 – 40,000)
- ▶ Participants pay fee of 30,000 RMB (€3,700) for documents and visa application, subsidized by the local government
- ▶ Up to 1,500 Xinxian residents participate in these schemes each year

Training for Migrant Workers

- ▶ Training Centre was established in 2003
- ▶ Participants in Japan and South Korea Placement Schemes complete 6 months training prior to start of placements
- ▶ 15 teachers
- ▶ Training covers:
 - ▶ Basic Japanese and Korean language skills
 - ▶ Culture and customs
 - ▶ Life skills for Japan and Korea (e.g. transport)
 - ▶ Local laws
 - ▶ Basic technical training



Scheme Participants

- ▶ Typically 18 to 38 years old.
- ▶ 50% female and 50% male
- ▶ “The difference between ILM and university education, if a young person receives an education will not come back, and goes to the city (such as Beijing) but for this ILM people come back and they try to invest this money to buy an apartment or some economic activity” (Secretary of International Labour Bureau - 10/2017)





Scheme Objectives

- ▶ Intention is that migrant workers return to Xinxian after their placement and invest savings in local economy, e.g. by starting their own businesses
- ▶ **Way of leveraging investment capital into a poor rural region**
- ▶ Not just financial capital, but human capital
- ▶ Adopting Japanese and Korean work ethic and entrepreneurial culture
- ▶ Increased technical skills and innovation
- ▶ Etiquette and outlook (become better citizens)

Mr Feng

- ▶ Participant in Japan scheme
- ▶ Worked in agriculture in Japan
- ▶ Invested savings in setting up a strawberry farm on return
- ▶ Using knowledge and technical skills acquired in Japan
- ▶ Employs 3 people



Before Japan (1998/2000)	In Japan	After Japan
15,000 RMB	80,000 RMB	10,000 RMB per mu – he has 30/40 mu
factory	Farm employee	Farm manager

1 mu = 1/15th of a hectare

Returnee Investments

- New businesses – farming, shops
- Tourism industry, e.g. water park, part of local development strategy to promote ‘red’ and ‘green’ tourism
- Investment in housing
- Investment in community infrastructure, e.g. water schemes



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THE KEY TO ECONOMIC VIABILITY*

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Impacts

- ▶ Contributed to developing economy and raising incomes and living standards in Xinxian county
- ▶ Poverty rate decreased from 7.38% to 4.6%
- ▶ Fastest rate of poverty decrease in China
- ▶ Scheduled to be removed from list of 'poverty counties'

- ▶ Labour migration in a managed and regulated way
- ▶ Local state continues to exert discipline and control over migrants whilst on placement in Japan or Korea
- ▶ Structured options



Limits to control

1) Local urbanization

- Rural villages have lost population to the county town of Xinxian
- Relocation of 'left-behind' women and children, for access to employment and schools
- Returning migrants choosing to invest in property in Xinxian town rather than in home villages





Limits to control

2) Onward migration

- Returning migrants from Japan and Korea opting to migrate again to work in Chinese cities (Beijing, Guangdong)
- Mismatch of skills/work experience developed in Japan and Korea and opportunities available in Xinxian county
- Preference for working for a Japanese company
- Local government has attempted to attract Japanese investment to Xinxian county, but one project not successful



Limits to control

3) Informal unregulated migration

- ▶ Government schemes have normalized international labour migration
- ▶ Growing awareness of other opportunities outside schemes through informal/illicit brokers
- ▶ Informal labour migration to Japan, Korea, Israel, Italy
- ▶ Higher cost – higher brokerage fees, no subsidies
- ▶ Higher risk – undocumented status in destination country
- ▶ Higher gain – Higher earnings and unlimited stay, open to migrants who have already participated in government schemes
- ▶ Tolerated by local authorities, so long as still bringing investment capital into county



Conclusions

- ▶ Unusual example of the state acting as a broker in international labour migration as part of an economic development strategy
- ▶ Over 100,000 residents of Xinxian county have worked abroad as migrant workers, either through government schemes or informal migration
- ▶ Successful in stimulating and financing business creation and economic development
- ▶ Contributed significantly to poverty alleviation

- ▶ **A rural community engaging with globalization on its own terms?**
- ▶ Distinctively Chinese solution
 - ▶ Importance of regulation, surveillance and control
 - ▶ Capacity of local government to innovate and act
- ▶ Limits to state control of the process

View storymaps by theme:

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