Study on the Social Insurance of China’s Migrant Workers

LIU Pingqing[a]*; LIU Weizheng[b]; LIANG Xiongjun[b]

[a] Professor, Assistant Dean, Director of Department of Organization and Human Resource Management, Beijing Institute of Technology; Head of Industrial Development & Human Resource Development Research Center and Executive Director of Young Teachers Association in Beijing Institute of Technology, Beijing, China.
[b] School of Management & Economics, Beijing Institute of Technology, China.
*Corresponding author.

Supported by National Natural Science Foundation of China grant “71172173” and grant “70872011”.

Received 19 May 2012; accepted 4 August 2012

Abstract

Migrant workers are one of China’s most important economic assets and support China’s major industries. However, Migrant workers confront health challenges stemming from the nature of their work, and their low income and their mobility. Based on a survey of 1,702 cases of migrant workers and applying SPSS (Statistical Package for the Social Sciences) to get the general situation of social insurance participation of the samples, an overview of China’s migrant workers is provided in the beginning of the paper.

Key words: Health risk; Social insurance; Migrant workers

The condition of migrant workers is a popular public issue in many cultures. The United States has its workers from Mexico; Europe has its guest workers from Turkey and Morocco; migrant workers in South Korea come from South and Southeast Asia, as well as Eurasia. Almost every country has guest workers. However, the size of the migration in China is exceptional. The demographic shift that has been taking place in China is unprecedented in world history. It is difficult to determine the exact number of migrant workers since there is no reliable data. Chinese specialists estimate their number between 120 million and 150 million (Floris-Jan van Luyn, 2008), but the numbers are probably higher. Migrant workers still arrive daily by the thousands at train stations in the big cities to find their way to the jobs in factories, coal mines and service industries which are higher paying than jobs than they could have had in rural towns.

Migrant workers often do not have basic occupational safety and health protections. Mandatory overtime, poor working conditions and occupational injuries among migrant workers were common in many labor-intensive industries (Chan, 1998). Since migrant workers were not a part of China’s urban labor force before the economic reforms, they also suffer from other disadvantages, such as the lack of urban residential status, welfare entitlement and absence of education and organizational experience, all of which have made them very vulnerable to exploitation and mistreatment.

In China, urban employees are eligible for five types of social insurance—pension, unemployment, health, work injuries and maternity leave. According to the regulations, employers and employees should contribute jointly to a mandatory saving account (individual account). Migrant workers can also participate. Nevertheless, the method of contribution and the prevailing labor market conditions make it almost impossible for migrant workers to be covered properly. According to regulation, workers should pay 10 percent of their salaries to the individual accounts...
and employers should pay 34 percent of the salaries once the worker has paid their share. To many employers, 34 percent of the salaries for social insurance mean an unbearable burden. Therefore, in practice, employers are reluctant to contribute to these types of social insurance for migrant workers because of their high mobility. Migrant workers and their families are overwhelmingly uninsured. The lack of protection by social insurance makes migrant workers hesitant to take risks at their jobs. It also causes many social conflicts and disputes.

Based on a survey of 1,702 cases of migrant workers in 41 enterprises in Taizhou, Wenzhou and Ningbo in Zhejiang province, Xiamen in Fujian province, and the Jinnan District in the municipality of Tianjin, and applying SPSS 11.5 will provide a general picture of social insurance received by migrant workers, which include accident insurance, medical insurance, unemployment insurance and pension. According to the definition of measuring scale (1 for “very willing”, 2 for “willing”, 3 for “maybe willing”, 4 for “not sure”, 5 for “not very willing”, 6 for “not willing”, 7 for “extremely not willing”), the mean in the table 1 suggests that: most of the migrant workers are willing to claim social insurance, and the order of their preferences for different types of social insurance is industrial injury insurance, medical insurance, pension, and then unemployment insurance. Table 2 also shows the mean of the four variables and two factors of all cases’ willing to claim social insurance.

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Industrial Injury Insurance</th>
<th>Medical Insurance</th>
<th>Unemployment Insurance</th>
<th>Pension Plan</th>
<th>Industrial injury and Medical Insurance</th>
<th>Unemployment Insurance and Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>2.91</td>
<td>2.91</td>
<td>3.19</td>
<td>3.10</td>
<td>2.91</td>
<td>3.15</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>1.52</td>
<td>1.53</td>
<td>1.60</td>
<td>1.65</td>
<td>1.43</td>
<td>1.47</td>
</tr>
</tbody>
</table>

Table 2
Factor Analysis of Migrant Workers’ Willing to Claim Four Types of Social Insurance

<table>
<thead>
<tr>
<th>Variables</th>
<th>Occupational Injury and Medical Insurance</th>
<th>Unemployment Insurance and Pension</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q96 willing to claim industrial injury insurance</td>
<td>0.88</td>
<td>0.33</td>
<td>0.88</td>
</tr>
<tr>
<td>Q98 willing to claim medical insurance</td>
<td>0.83</td>
<td>0.43</td>
<td></td>
</tr>
<tr>
<td>Q97 willing to claim unemployment insurance</td>
<td>0.61</td>
<td>0.62</td>
<td></td>
</tr>
<tr>
<td>Q99 willing to claim pension plan</td>
<td>0.35</td>
<td>0.91</td>
<td></td>
</tr>
</tbody>
</table>

Our survey suggests that migrant workers are all willing to claim social insurance, and their preferences are to four kinds of social insurance -- occupational injury and illness insurance, medical insurance, pension plan and unemployment insurance. It is helpful for correcting the prejudice that migrant workers are not willing to claim social insurance. Social insurance for migrant workers is a complicated issue in China which has many independent variables, some of them cannot be explained in this paper since the content is limited. In addition, the system of migrant workers’ social insurance refers to government, enterprise and individual, which would be matched with the dynamic relationship among different social groups with the economic development in China.

REFERENCES


Copyright © Canadian Research & Development Center of Sciences and Cultures