

Chapter 10

Promoting Universal Coverage of Basic Public Services Among Urban Residents

Ning Wang and Yeqiang Wang

In 2012, China's urbanization rate reached 52.57 % but, if we counted only people with urban *hukous*, this was only 35.29 %; there were 263 million migrant workers in China,¹ where they have already been playing a leading role in urbanization. Nonetheless, governments are still managing applications for new permanent urban residents' registration, demanded by rural migrant workers, by using the long-established *hukou*-based public service policies. This has constituted a big obstacle to the citizenization of rural migrant workers in China, caused a great deal of problems with urban management, and is contrary to social justice. In 2013, it was made clear in the *Report on the Work of the Government* that relevant authorities should accelerate reform of the household registration system and related institutions; that they should register eligible rural workers as permanent urban residents in an orderly manner, "progressively expand the coverage of basic public services in urban areas to include all their permanent residents and create an equitable institutional environment for freedom of movement and for people to live and work in contentment."² Accordingly, in order to protect the rights of migrants and improve the quality of the process of social urbanization in China, the most significant tasks involve investigating the current status of basic public services in Chinese towns and cities, especially the public services provided for potential new permanent migrant worker

¹The *Statistical Bulletin of the People's Republic of China on the 2012 National Economic and Social Development*, February 22, 2013, the official website of the NBS, http://www.stats.gov.cn/tjgb/ndtjgb/qgndtjgb/t20130221_402874525.htm

²"Information from the NPC and the CPC National Congress: the full text of the report on the work of the government delivered by Wen Jiabao", the People's Daily Online, March 5, 2013, http://www.edu.cn/lhzt_12510/20130305/t20130305_911572_2.shtml

N. Wang (✉)
Department of Urban Development and Environment,
Graduate School of the CASS, Beijing, China

Y. Wang
Institute for Urban and Environmental Studies (IUES), Beijing, China

residents, and exploring methods to expand the coverage of these basic public services in urban areas to all their permanent residents.

The Current Status of Basic Public Services in Chinese Towns and Cities

‘Public services’ is a concept corresponding to that of ‘public good’ in economics, but is not identical to the latter. Public services rely on public finance support to satisfy public needs, and they include social services, policies benefitting the public, and social security and public infrastructures. Public services therefore relate closely to government functions and will vary with distinct levels of economic development and the needs of each society. Basic, or core, public services are a function of basic registered city residents’ rights to them, established by the basic needs of any society and the capabilities of governments to provide such services.³

Regarding the public service system, the Chinese government has been paying closer attention to the concept of fairness since 2003. It has invested significantly more money than before in public services for rural areas, such as compulsory education, the NRCMCS and support for the elderly; in urban areas, the provision of basic public services has expanded beyond that given to employees of state-owned organizations to cover those of non-state-owned organizations, urban residents and the low- and middle-income groups. In addition, as the number of rural migrant workers grows, migrant workers have come to represent the majority of industrial workers present in cities, and have made notable contribution to urbanization in China. Consequently, these migrant workers demand access to relevant basic public services, which demand, as urbanization advances in China, is also receiving more attention. In spite of this, the provision of basic public services in urban areas to all residents remains clearly insufficient. An examination of basic public services follows:

Compulsory Education

According to the new *Compulsory Education Law* of 2006, the state government shall be responsible for funding compulsory education. It must be made available to everyone eligible free of charge, in the name of tuition or any other fee. This was achieved first in rural areas, followed by urban areas starting 2007. Regarding the provision of education services for the children of migrants, full-time public schools in host cities are playing a leading role, suggesting that local governments assume a larger share of the responsibility than before. In 2003, the General Office of the State Council forwarded the *Opinions on Further Improving Compulsory Education for Children of Migrant Workers in Cities* co-issued by ministries/commissions

³The Equal Access to Public Services research team, the Finance Society of China: “On equal access to public services”, *Review of Economic Research* 2007 Issue 58.

such as the MOE, emphasizing that the children of migrant workers should receive the same treatment as that of other children.

The DRC Research Team discovered in a 2011 survey that, of all children who had migrated with their parents, 80 % were receiving compulsory education at public schools. Local governments are working to address the issue of education for the children of migrant workers, depending on local conditions. For example, in the province of Guangdong, which is the leading destination for non-local migrants, children of non-local migrant workers already represented 67 % of all students who were receiving compulsory education in 2008. Since the number of non-local migrant workers is still growing, the demand for education services for all children with non-local *hukous* is quickly exceeding what public elementary and middle schools can supply. By paying qualified private schools for admitting children with non-local *hukous*, the Guangzhou municipal government, for example, is trying to increase the percentage of children with non-local *hukous* who receive education in this city; some members of the CPPCC Guangdong Provincial Committee have proposed issuing “education vouchers” to let children with non-local *hukous*.⁴

Since children who migrate with their parents will need to take exams for admission to higher-level schools after the end of compulsory education, the *Outline of the National Mid- and Long-term Education Reform and Development Program (2010–2020)* proposes that measures for these children to take such exams in host cities be developed. In 2010, the MOE issued the *Notice on Organizing Application for Implementing Pilot Projects of the National Education System Reform*, which included equal access by children who migrate with their parents to compulsory education and exams for admission to higher-level schools in host cities, as well as the inclusion of further reform of the National College Entrance Examination (NCEE) or *gaokao*, system in the earliest pilot projects of education reform.⁵ By the end of 2012, competent local authorities had all worked out schemes for students with non-local *hukous* to take the *gaokao* in host cities (see Table 10.1).

Public Health and Basic Medical Care

The Chinese government has been assuming more responsibility for these services and has gradually been improving the basic healthcare system for urban areas since the SARS crisis of 2003. A network in which community healthcare service organizations play a primary role, and work with public hospitals, has been built and performs such functions as ensuring urban residents have access to medical services near where they live, controlling medical costs and establishing immediate monitoring systems in

⁴Xu Chen and Lai Nanhui: “Guangzhou plans to buy admission for more children of migrant workers to receive free education”, *Yangcheng Evening News*, August 29, 2008, <http://www.chinanews.com/edu/zcdt/news/2008/08-29/1365019.shtml>

⁵Guo Shaofeng and Liu Chang: “The MOE will conduct pilot projects for children of migrants to gain equal access to compulsory education”, CNR, May 15, 2010, <http://news.163.com/10/0517/06/66S728AG000146BD.html>

Table 10.1 Summary of municipal & provincial schemes for students with non-local *hukou* to take the gaokao in Host cities

Requirement Type	Requirements by Province (years in parentheses are when they became or will become effective)
School roll	Fujian: on the school roll for 3 years (2014); Anhui: on the school roll for 3 years (2014); Zhejiang: on the school roll for 3 years (2013); Jiangxi: on the school roll for 1 year or more (2014); Guangxi: focus on the school roll (2013); Liaoning: on the school roll for 3 years (2013)
School roll + parents' jobs, place of residence, etc.	Chongqing: on the school roll for 3 years + steady jobs (2013); Hunan: on the school roll for 3 years + parents' residence permits (2013); Heilongjiang: on the school roll for 3 years + parents' jobs and domicile (2013); Hebei: on the school roll for 2 years + parents' jobs and residence permits (2013); Henan: on the school roll + steady jobs and domicile (2013); Jiangsu: on the roll of a local senior high school plus full schooling record + guardians' permanent domicile (2013); Sichuan: on the school roll + residence (2014); Ningxia: on the roll of a local senior high school + parents' steady jobs, domicile and social insurance premium payment for 3 years or more (2014); Inner Mongolia: on the school roll for 2 years + permanent domicile, both jobs and tax payment for 2 years or more (2014); Guizhou: on the school roll for 3 years + parents' residence, jobs, residence permits and social insurance premium payment for 3 years or more (2014); Shanxi: on the school roll + parents' steady jobs and permanent domiciles (2014); Jilin: full schooling record at senior high school + parents' jobs, domicile and social insurance premium payment for 3 years or more (2013); Tianjin: on the school roll for 1 year or more + evidence for tax payment by parents and social insurance premium payment (from 2013 increasing in a step-by-step manner); Hainan: schooling experience + permanent domicile and steady jobs (2014); Shaanxi: on the school roll for 3 years + either parent's residence permit for 3 years or more, and pension insurance premium payments for 3 years or more (2016); Chongqing: on the school roll for 3 years + working parents (2013)
<i>Hukou</i>	Yunnan: the examinee's <i>hukou</i> has been transferred in for 3 years or more, and studies at a local high school for 3 years (2013); Gansu: on the roll of a local senior high school for 3 years + the examinee and his/her parents received local <i>hukous</i> at least 3 years ago (2013); Xinjiang: study at a local senior high school for three consecutive years + the examinee and his/her parents received local permanent <i>hukous</i> at least 2 years ago (2013); Qinghai: the examinee must produce his/her household register and ID card; examinees with non-Qinghai <i>hukous</i> may take exams in this province but will not compete with local ones for opportunities for going to university (N/A)
Transitional scheme	Beijing: all children, whether local or not, may register for entrance exams for local secondary or advanced vocational schools (from 2013 onward in a step-by-step manner); Shanghai: in combination with the regulations on residence permits (from 2013 onward in a step-by-step manner); Guangdong: in combination with the points-based <i>hukou</i> system (from 2013 onward in a step-by-step manner)

Source: <http://www.eol.cn/html/g/yydgk/>. Tibet has no relevant scheme at present

the event of sudden disease outbreaks. This network contributes to equal access by all urban residents to public healthcare services.⁶

Regarding migrant workers as a huge sub-group of migrants as a whole, the MOH issued a notice in 2010 to announce that it would conduct pilot projects as part of the Migrant Worker Healthcare Program in 65 selected counties/cities and city-administered areas in 29 provinces other than Hainan and Tibet. Main tasks included: health education among migrant workers; creating health records for migrant workers and making timely updates; conducting tuberculosis prevention and control among migrant workers, and making plans for their children's immunization programs; conducting programs to protect migrant workers from exposure to the AIDS virus and to carry out occupational disease prevention and control. Each task came with quantified targets. The MOH hoped to summarize experience from these pilot projects before rolling migrant worker health care out across China.⁷ In 2011, the Beijing Migrant Worker Healthcare Program was launched in the Haidian and Daxing Districts as pilot areas.⁸

Basic Social Security

China's urban social security system has gradually improved in recent years. In addition to basic pension insurance for urban workers, the basic medical and pension insurance systems for all urban residents have been established after the *Social Insurance Law* was implemented. These social security systems exhibit the drive towards socialization, compliance, wide coverage and multiple dimensions of basic urban social security provision in China.⁹ In addition, a social security system for non-local migrant workers is being put in place. Nationwide, in addition to work insurance, the percentages of employers that bought insurance for their employees, or migrant workers who bought insurance for themselves, was increasing more rapidly

⁶WBFSF [2009] No. 102: the *Notice of the General Office of the Ministry of Health on Tasks in Major Cities for Further Development of the National Community Healthcare System*; the Ministry of Health: "Remarkable progress is made in the national basic healthcare program; tasks in major cities for the development of the national community healthcare system produce good results", November 19, 2011, <http://www.moh.gov.cn>

⁷The Information Office of the MOH: "The MOH conducts pilot projects for the Migrant Worker Healthcare Program", August 25, 2010; WBJKF [2010] No. 143: the *Notice of the General Office of the Ministry of Health on Conducting Pilot Projects for the Migrant Worker Healthcare Program*, August 20, 2010, <http://www.moh.gov.cn>

⁸"Beijing launches the Week of Explaining the Occupational Disease Prevention Law 2011 and the Migrant Worker Healthcare Program", source: the Disease Control Office of Beijing Municipal Health Bureau, and the Beijing Health Information Center, April 29, 2011; "Migrant worker healthcare information becomes available at construction sites in Daxing District", source: Daxing District Health Monitoring Office, October 24, 2011, Beijing Health, <http://www.bjhb.gov.cn/>

⁹"Make an overall plan to promote the development of the urban and rural social security systems", *Zhongguo Zuzhirenshi Bao*, February 22, 2012, <http://www.mohrss.gov.cn>

Table 10.2 Percentages of non-local migrant workers covered by insurance, 2009 vs. 2011**Unit:** %

Region		Pension	Workplace injury Workplace injury	Medical	Unemployment	Maternity
		China	2009	7.6	21.8	12.2
	2011	13.9	23.6	16.7	8.0	5.6
East	16.4	27.0	19.3	9.5	6.7	–
Central	8.3	14.8	10.2	4.8	3.4	–
West	8.3	17.0	11.1	4.5	2.8	–

Source: the 2009 data is from the DRC Research Team: “The citizenization of migrant workers: the general trend and strategic orientation”, *China Reform* 2011 Issue 5; the 2011 data is from the NBS: the *Migrant Workers Monitoring Survey Report 2011*, April 27, 2012, http://www.stats.gov.cn/tjfx/fxbg/t20120427_402801903.htm

Note: national data is based on 2009 and 2011; regional data is based on 2011

Table 10.3 Percentages of non-local, migrant workers covered by social security by sector, 2011**Unit:** %

Sector	Pension	Workplace injury	Medical	Unemployment	Maternity
Transport/warehousing/ postal	24.4	32.6	27.7	15.1	10.4
Wholesale/retail	15.1	17.7	16.3	9.6	7.7
Manufacturing	14.1	28.0	17.8	7.5	4.8
Residential & other services	12.4	16.4	13.7	6.4	4.5
Hotel/restaurant	7.3	11.8	9.0	3.8	2.5
Building	4.3	14.1	6.4	2.2	1.6

Source: the *Migrant Workers Monitoring Survey Report 2011*, April 27, 2012, http://www.stats.gov.cn/tjfx/fxbg/t20120427_402801903.htm

Note: to facilitate analysis, the data are sorted in descending order in terms of percentage of worker covered by pension insurance

in 2011 than in 2009 (see Table 10.2). In 2012, the numbers of migrant workers covered by urban basic medical and work-injury insurance increased by 3.55 and 3.45 million people respectively, compared to 2011.¹⁰ Regional social security systems have also been established in east, central and west China. The percentages of migrant workers covered by both work-injury and medical insurance, in particular, are higher than those of migrant workers covered by other insurances, due to the nature of their jobs. Also, from a sectoral perspective, the percentages of non-local migrant workers covered by relevant insurance in such sectors as manufacturing, wholesale/retail, transport/warehousing/postal service and residential services are higher than in others such as the building industry (see Table 10.3).

¹⁰ Source: the *Statistical Bulletin of the People's Republic of China on the 2012 National Economic and Social Development*.

Public Employment Services

In the 1990s, the workers laid-off from State-Owned Enterprises (SOEs) due to deepening reform measures, were naturally the primary focus for service provision from urban public employment organizations. The Chinese government launched two rounds of proactive employment policies, with one round being centered on the *Notice on Further Improving Work Relevant to the Reemployment of the Laid-off and Unemployed People* issued at the national work meeting on reemployment in September 2002, and the other on GF [2005] No. 36 Document, promoting the continuous development of local public employment services. Registered unemployed urban residents and people laid off from SOEs could from then on all receive free job advisory services. Employment support policies for university graduates as well as disadvantaged urban families and groups (e.g. families in which nobody has a job and people who have difficulties in getting a job) have also been improved.^{11,12}

As the number of rural migrant workers keeps growing, host cities, who used to focus only on employment rights' protection, have expanded the employment services to include allowing these migrants to enjoy equal access to the whole range of public employment services. In January 2003, the State Council issued the *Notice on Providing Employment Management and Services for Migrant Workers in Cities*, proposing to do away with unreasonable restrictions on farmers' migration into cities for work, to address late payment and underpayment of wages, and to provide appropriate training and management of these issues. Later in 2003, six ministries/commissions such as the MOA jointly issued the *Training Program for Migrant Workers across China, 2003–2010*, which included provision for migrant worker training and tools for performance evaluation of government at all levels, with a view to improving the employment stability of migrant workers.¹³ The central government reemphasized in its No. 1 document of 2004 that relevant authorities should remove administrative restrictions and unreasonable charges for farmers' migration into cities for work and should seek to protect their economic rights. It also required municipal governments to expand the provision of public services to migrant workers. The *Notice of the Ministry of Human Resources and Social Security and the Ministry of Finance on Issues Regarding Further Improving the Public Employment Service System* issued in 2013 makes clear that the basic principle of public employment services is to provide basic public employment services in a sustainable and equitable manner across China by merging urban and rural labor markets and creating a long-term service mechanism that is geared to both urban and rural areas and that serves, in effect, all workers.

¹¹Wen Junping: "On equal access to public employment services and the approach to realizing it", the *Journal of Shanghai Business School* 2010 Issue 6.

¹²Li Gongda: "On the public employment service system in China", *Labor Security* 2008 Issue 10.

¹³Qi Zhongxi and Du Yu: "The *Training Program for Migrant Workers across China, 2003-2010* is issued", the Xinhua News Agency, October 1, 2003, <http://www.china.com.cn/chinese/2003/Oct/415375.htm>

On the question of legal support, the *Labor Contract Law* which became effective on January 1, 2008, together with the *Employment Promotion Law* and the *Labor Dispute Mediation and Arbitration Law* which were both issued in 2007, all stipulate basic legal support for all job seekers, including migrant workers, in terms of fair employment and rights' protection.

Furthermore, local governments now publish policy documents on an annual basis which highlight and review the problem of underpayment to migrant workers. They also make greater efforts in providing migrant workers, especially the new generation, with employment services such as training (see Table 10.4). Improvements in public employment services are contributing to a steady increase in the quality of employment among migrant workers.

Urban Housing Assistance

Housing assistance is an important part of public welfare. The housing market has been growing rapidly since the Chinese government rolled out house trading amid the urban welfare reforms of the 1990s. To provide low-income urban households with housing assistance, the then Ministry of Construction issued the *Measures for Managing Urban Low-rent Housing* specifically focusing on measures to help lowest-income households with permanent urban *hukous* in 1999. Nonetheless, the low-rent housing system has since developed slowly and has yet to be further improved. To address high housing prices and difficulties facing urban low-income households in buying or renting housing, the State Council issued the *Opinions of the State Council on Addressing Difficulties Facing Urban Low-income Households in Buying or Renting Housing* in 2007, requiring that relevant authorities establish or improve an urban low-rent housing system, and improve and regulate affordable housing. The State Council also made clear in this document that relevant authorities should work to improve housing conditions for residents, including migrant workers, living in large slums or old residential areas.

It is expected that, by the end of the 12th Five-Year Plan period, the provision of affordable housing will reach at least 20 % nationwide across China, in order to solve the housing issue for urban low- and middle-income households. Given the needs and spending limitations of low and middle-income groups in cities, relevant authorities have developed various forms of housing assistance, such as priority access to public rental and low-rent housing, and also to a range of other affordable housing schemes where public housing policies have brought about house/rental price limits or, for example, the accommodation of people from slum clearances, waiting to be reassigned housing.¹⁴

¹⁴The general report by a research team: *Analysis of the Real Estate Market in 2011 and Forecasts for 2012*; Chen Bei: "Financial thoughts after social housing is allocated or sold in China – experience and lessons from the United States", the *Annual Report on the Development of China's Real Estate (No. 9)* co-edited by Wei Houkai and Li Jingguo, Social Sciences Academic Press (China), p. 11 and 141–142.

Table 10.4 Local assistance as part of public employment services for migrant workers, 2011–2012

Place	Public employment service	Description
Hainan	“Pay me” action before China’s Spring Festival in 2012	As of January 17, 2012, over 100 million yuan in back pay had been received by migrant workers across this province.
Guangdong & Shanghai	Training specifically offered to outstanding members of the new generation	After “100 to Peking University” in 2010, Guangdong provided 100 more migrant workers of the new generation with full financial support for receiving online university education. On October 25, 2011, Shanghai’s first ever primary MBA training program for migrant workers was launched. Intended to train a number of highly skilled migrant workers who were also successful innovators, this program covered over 1,000 new-generation migrant workers from such sectors as ship building, electronics, machinery, garment, urban development and restaurant, in 16 counties and districts of Shanghai
Guangxi	Convenience service: free return home transport for the spring festival	On January 15, 2012, over 1,000 Guangxi migrant workers who worked in Guangdong boarded the free “Youth Comfort” train bound for Guangxi. After the train arrived at the destination, these workers could return home by bus for free
Guizhou and Dangyang City, Hubei	Startup and employment services	In January 2012, Guizhou provincial government announced ten policies and measures for guiding and assisting migrant workers in starting up businesses or getting employed in the 12th Five-Year Plan period. These policies/measures involve fostering integrated urban and rural startups and employment, lowering economic barriers for startups, and provision of tax relief, subsidies and small loans. Since the 11th Five-Year Plan period began, the Dangyang municipal government has invested over 20.0 million yuan in helping over 4,400 physically handicapped migrant workers get steady jobs; 3,080 of this group have moved out of poverty
Jiangsu	Integrated employment services	In 2011, the Nantong municipal government set up 16 integrated migrant worker service centers in areas where large numbers of migrant workers live; at these centers migrant workers with All-in-one Cards can receive a series of public services including: employment and social security benefits, legal rights’ protection, healthcare provision and disease prevention, children’s education, CPC & China Communist Youth League (CCYL) membership, and access to culture and entertainment. In 2011, the Taizhou municipal government issued the <i>Opinions on Helping New-generation Migrant Workers Start Up Businesses or Get Employed</i> , providing that new-generation migrant workers who held steady jobs or who had worked for two consecutive years or more in urban areas, and had pension insurance, could be granted local <i>hukous</i> while at the same time retaining their eligibility to incentives and rights specific to farmers; with regard to inclusion in relevant social insurance programs and buying affordable housing, new-generation migrant workers who met certain requirements could receive the same treatment as that available to native registered city residents

Source: the official website of the MOHRSS, <http://www.mohrss.gov.cn/SYRlzyhshbzb/ldbk/jiuye/nongmingong/>

Table 10.5 Affordable housing measures for migrant workers in some municipalities/provinces, 2012–2013

Nanning City	Applicants for affordable housing such as low-rent and price-controlled housing must have received urban <i>hukous</i> in areas administered by this city for 1 year or more; the municipal government issued the <i>Interim Measures for Managing Public Rental Housing in Nanning City</i> on October 15, 2012 to address the housing issue for low- and middle-income households (with <i>hukous</i> , but no number of years of residence limitations) as well as for graduates and non-local migrant workers (with <i>hukou</i> limitations for neither group)
Jinan City	The municipal government officially announced a public rental housing assistance standard on November 30, 2012: barriers to application for public rental housing were lowered, and income and <i>hukou</i> limitations were cancelled. On the question of housing allocation, two-bedroom apartments were to become available for non-locally recruited skilled workers, certain families of three or more members, or certain single-parent families with one child of the opposite sex; one-bedroom apartments were to be made available for certain families of no more than two members or certain single people with permanent <i>hukous</i> in the six districts within this city; shared rental apartments were made available for non-local single employees, with at least five square meters in usable floor space available to each tenant
Anhui Province	The provincial government's 2013 plan was to build 400,000 social apartment units and merge public rental housing and low-rent housing into a single system; the allocation of such units would be in favor of new employees and workers with non-local <i>hukous</i>
Shenzhen City	In 2013, the provision of affordable housing was expanded to middle-income people with no housing, and families of skilled workers with non-local <i>hukous</i> that had difficulty in buying or renting housing
Sichuan Province	In 2013, the provincial government conducted the Housing Assistance for Migrant Workers program specifically aimed at migrant workers who had steady jobs and had lived in urban areas for at least a certain number of years. It was considering the allocation of 20 % of all public rental housing to workers with non-local <i>hukous</i> such as migrant workers, and the expansion of the HPF program to cover migrant workers

Source: Ou Qianheng and Li Gongyu: "Nanjing: people from three groups may apply for public rental housing and are subject to looser *hukou* requirements than before", news.gxnews.com.cn, November 7, 2012; Yu Wen and Wang Jiguo: "Jinan: applicants for public rental housing are no longer subject to income and *hukou* requirements; people with non-local *hukous* become eligible for local housing assistance for the first time", *Qilu Evening News*, December 3, 2012; Wu Liangliang: "400,000 social apartment units will be built in Anhui Province this year, and will be allocated in favor of new employees and workers with non-local *hukous*", Anhui Provincial Department of Housing and Urban-rural Development, January 6, 2012; Li Gang: "People with non-local *hukous* in Shenzhen benefit from local housing assistance, and affordable housing will phase out", the *People's Daily*, January 25, 2013; Wan Yao: "Sichuan: the Housing Assistance for Migrant Workers program will be implemented this year, and 20 % of all public rental housing will be allocated to migrant workers", the *Sichuan Daily*, February 18, 2013; the official website of the MOHURD, <http://www.mohurd.gov.cn>

Some local governments have begun building affordable housing for migrant workers. Table 10.5 depicts some of the latest developments of housing assistance in some places in 2013.

Most migrant workers still live in dormitories provided by their employers or in rented houses in formerly rural areas reclassified as cities but still basically under rural governances. In 2011, most non-local migrant workers lived in dormitories provided by their employers or in rented or co-rented houses; those who lived in dormitories represented 32.4 % of all such workers; those who received housing allowances from their employers only represented 8.8 %, according to relevant statistics from the National Bureau of Statistics (NBS).¹⁵ We can therefore see that migrant workers who pay housing rents for themselves represent a large share of all such workers.

Social Problems Caused by Insufficient Provision of Basic Public Services

The picture of the current coverage of basic urban public sector services shows that it has been gradually going beyond initial limitations caused by ownership systems, and it has extended provision to a larger number of low-income households, together with better quality of service. This public service system is available to nearly all permanent residents with local urban *hukous* and is becoming increasingly well regulated. In addition, urban migrant workers' needs in terms of public services are increasingly being met. From a regional perspective, the provision of basic public services in eastern China is better than in central and western areas. This being said, there has been no substantial change in the overall institutional design of the basic urban public service system, which is characteristically based on *hukou* registration, management under the territoriality principle and the division of administrative responsibilities. New permanent residents and, in particular, rural migrant workers, have yet to be fully covered by basic urban public service provision.

Regional Variation in Regulations on Compulsory Education for Migrant Children

Public elementary and middle schools in cities hosting migrant families already play a substantial role in providing compulsory education for migrant workers' children across China. Nonetheless, there is wide variation in the degree of effort put into the inclusion of these children within local public urban educational systems. In the city of Dongguan, for example, the children of migrant workers studying in public schools represented only 26.5 % of all such children in 2010.¹⁶

¹⁵The NBS: the *Migrant Workers Monitoring Survey Report 2011*.

¹⁶The DRC Research Team: "The citizenization of migrant workers: the general trend and strategic orientation", *China Reform* 2011 Issue 5.

Migrant workers hope that their children can receive better education in cities, but their children have to return to their hometowns for the *gaokao* after the end of compulsory education, since the governments of most host cities have yet to make policies that integrate elementary, middle and high school education. We can easily see that local schemes for students with non-local *hukous* taking the *gaokao* vary widely from place to place. Western provinces such as Yunnan still impose *hukou* restrictions on students who take the *gaokao*; the leading destination cities of migrants in China, which are Beijing, Shanghai and Guangdong, have similar transitional *gaokao* schemes for students with non-local *hukous*. Thus, “Beijing scored zero points and Shanghai also failed,” as a critic put it.¹⁷

Locational Confinement of Coverage of Public Healthcare Systems Creates Obstructs Access to Doctors or Healthcare Services for Migrant Workers

In 2008, the MOH conducted pilot projects for the Migrant Worker Healthcare Program. However, owing to the lack of any long-term mechanism for their inclusion in basic urban medical care service provision, migrant workers have not got equal access to other connected healthcare services: they have not been fully covered by the disease prevention and monitoring system; only a small number of the children of migrant workers are covered by the national immunization program; migrant workers have not been fully included in the urban family planning service system, and there are interregional system incompatibilities in terms of related services and allowances.¹⁸

Fragmented Social Security System, and Other Institutional Deficiencies

The social security system in urban areas tends towards fragmentation.¹⁹ Migrant workers, in particular, are a low percentage of those who are covered by social insurance, and there are additional institutional deficiencies.

Firstly, premium rates for social insurance are on the high side, compared with the wages of migrant workers. The current rates demanded for migrant workers are

¹⁷“A professor at Peking University: when it comes to the NCEE schemes for students with non-local *hukous*, Beijing scored zero points and Shanghai also failed”, the *People’s Daily Overseas Edition*, January 10, 2013, http://gaokao.eol.cn/kuai_xun_3075/20130110/t20130110_892022.shtml

¹⁸Han Jun: “How the citizenization of migrant workers relates to the innovation of the public service system”, *Administration Reform* 2012 Issue 11.

¹⁹The DRC Research Team: “The citizenization of migrant workers: the general trend and strategic orientation”, *China Reform* 2011 Issue 5.

higher than those for urban residents, since the average wage of the former is lower than that of the latter, and because the contribution base for migrants to be covered by urban social insurance equals 60 % of the average wage of urban employees in the previous year. Most migrant workers are employed in sectors such as processing/manufacturing and services, where the labor cost represents a large share of the total cost and most employers are unwilling to pay full amounts of premiums for the employed migrant workers. Secondly, pension insurance presents problems of continuation. This is because migrant workers are highly mobile, and, even if they are not rejected by the urban pension insurance system for employees, continuity of contributions cannot be guaranteed in other places. Thirdly, interregional settlements for medical insurance are impossible. In 2011, only 16.7 % of all employers of non-local migrant workers paid medical insurance premiums for these workers²⁰; migrant workers who have opted to enroll in the NRCMCS (overall planning of which is made at the county level) are still unable to get medical expenses reimbursed immediately after they receive medical services where they work. Fourthly and lastly, migrant workers who have not been covered by social assistance systems in their host cities, are also ineligible for medical assistance and minimum living allowances.

The Public Employment Service System Is Imperfect, with a Lack of a Socially-Inclusive Long-Term Service Provision Mechanism

In 2011, migrant workers who had received non-agricultural professional skills training only represented 26.2 % of all such workers in China, according to monitoring statistics from the NBS. Their survey revealed that most migrant workers had an educational level of junior high school and had received no suitable professional skills training, both of which adversely affected their proficiency at work and, thus, their income levels. In addition, it was noted that fewer than half of non-local migrant workers, especially in the building industry, had signed labor contracts with their employers in 2011. A research report published by the State Council summarized the current problems affecting migrant workers' employment rights as: generally low wages, different pay scales for urban and rural workers in the same job, non-compliant worker management practices, poor safety at work, and low levels of organization. A survey in 2009 showed that as many as 59.7 % of the surveyed migrant workers were dissatisfied with their wages.²¹

²⁰The NBS: the *Migrant Workers Monitoring Survey Report 2011*.

²¹The DRC Research Team: "The citizenization of migrant workers: the general trend and strategic orientation", *China Reform* 2011 Issue 5.

The Urban Hukou System Is Being Reformed Slowly, and the Housing Assistance System Has Yet to Be Improved

Not all Chinese cities have included migrant workers in the local affordable housing systems. Medium- and large-sized cities which are the major destinations of migrant workers are, indeed, acting more slowly than others in this regard. Some municipal and provincial governments typically lift *hukou*-related restrictions in a selective manner – their policies tend to be in favor of those non-local workers who are more skillful or have steady jobs and have lived in host cities for a required numbers of years; such workers are already essentially the same as native city residents. Most migrant workers still live in corporate dormitories. Moreover, only a small number of migrant workers receive housing allowances; that is, most of them pay their housing expenses themselves. Those who are covered by the urban affordable housing system merely represent a small percentage.

The General Principle: Expanding the Coverage of Basic Urban Public Services to Include All Permanent Residents

In this time of rapid urbanization in China, the biggest problem with the current urban public service system lies in its failure to cover rural migrant workers (Han Jun 2012). The total number of migrant workers across China reached 263 million people in 2012, including over 163 million non-local workers.²² In addition to this, there is a growing trend of whole family migration. However, although they work and live in urban areas, migrant workers cannot access the same public and welfare services as those available to native city residents. This has reduced opportunities for migrant workers and their children, and their capacity to develop in urban areas (Chi Fulin 2008) and is detrimental to the fundamental aim of improving the quality of urbanization. The provision of public services and welfare dependent on *hukou* registration has resulted in migrants having insufficient or no access to public services in urban areas.

The problem of the fast-growing demand for public services for rural migrant workers and the limited availability of public funds to provide them in host cities, must be addressed; relevant authorities should also undertake to gradually improve the urban public service system and expand its coverage to all permanent residents including migrant workers, in order to embrace the principle of fair treatment and equal opportunities for improvement for all. To this end, it is firstly necessary to concentrate on the major objective of extending the provision of urban public services to all permanent residents, including all migrant workers. The promotion of equal access and improving the quality of public services offered should proceed at the same time.

²²The *Statistical Bulletin of the People's Republic of China on the 2012 National Economic and Social Development*.

Governments of host cities should assume more responsibilities to ensure the educational rights of migrant workers' children. The authorities should also assume more managerial responsibility and include educational services for the children of migrant workers when planning local educational financial support. While providing such children with compulsory education mainly through local public elementary and middle schools, these governments should take additional measures to help them integrate into receptor cities. They should also subsidize private elementary and middle schools that participate in the provision of compulsory education and enhance their management. It is also necessary to improve preschool education for the children of migrant workers, in which kindergartens open to all children should play a leading role. In addition to local *gaokao* schemes for school students with non-local *hukous*, relevant authorities should promote vocational education for the children of migrant workers and allow them to participate in entrance exams to local senior high schools and the *gaokao*.

Universal Coverage of Medical and Healthcare Services to All Permanent Urban Residents and Protecting Migrants' Healthcare Rights

The authorities should seek to improve the migrant worker health information system using as a model the results from pilot projects carried out for the Migrant Worker Healthcare Program. In areas where large numbers of migrant workers live, the current community-level public medical and healthcare services should be gradually extended to cover all permanent residents, allowing migrant workers access to convenient, fairly-priced and safe community-level medical and healthcare services. It is necessary to enhance sanitation, disease prevention/control and children's immunization services in the aforementioned areas, to pay sufficient attention to migrant workers' occupational health rights, and to ensure that migrant-worker couples have effective and convenient access to family planning services in their urban societies.

Improve and Consolidate Urban Social Security Systems, and Expand Their Coverage

Firstly, since most migrant workers are in dangerous industries such as manufacturing and mining, relevant authorities should provide all migrant workers with industrial injury insurance as soon as possible. Secondly, it is necessary to gradually improve the basic medical insurance system for migrant workers. Thirdly, the extension of pension insurance to include all migrant workers is essential. Fourthly, it is recommended that measures be undertaken that enable the interconnectivity between urban and rural

social insurance systems, so as to build a large social insurance and security network in which all five required insurances are managed in a unified manner. This will ensure that migrant workers may select insurances and rates depending on their income and mobility levels. Fifthly and lastly, it is advisable to implement flexible transitional policies that allow for low insurance rates and to increase appropriate worker subsidies, given that migrant workers typically have low wages.

Job and Wage Support for Migrant Workers in Urban Areas

Firstly, it is advisable to promote employment by assisting in skills improvement. Governments, companies, workers and training organizations should work together to promote vocational education and skills training for migrant workers, enabling them to get better jobs and higher incomes. Secondly, relevant authorities should support employment by providing employment information. It is necessary to gradually establish a rural labor force registration system, to realize information sharing among regional public employment service organizations, and to enhance government guidance services, including the provision of public employment information, for the employment and migration of rural people. Thirdly and lastly, it is necessary to ensure a steady wage increase. Local governments should: continue to improve the minimum wage standard system to guide companies in properly increasing wages; allow trade unions to play a positive role in protecting workers' rights; establish a negotiation mechanism between employers and employees, and facilitate the creation of well-regulated labor relations; increase efforts in law enforcement and in monitoring employers' contractual signatures and observation of contractual obligations; increase workplace safety management, occupational health management and worker protection; and, finally, encourage NGOs to provide migrant workers with legal assistance.

Include Migrant Workers in the Affordable Housing System, Improve Migrants' Housing Conditions

Firstly, given migrant workers' varying needs for housing, relevant authorities may encourage employers to build subsidized housing such as corporate dormitories for these workers. Local governments should firstly expand access to the local public rental housing assistance system to include migrant workers who have steady jobs and who have lived in their host cities for a required number of years, before gradually serving more people, including migrants, and providing access to more types of affordable housing. It is advisable to develop a well-regulated housing rental market in urban areas to satisfy migrant workers' need for rented accommodation. Secondly, relevant authorities could provide migrant workers with housing allowances and set up specific urban public housing funds as part of the housing assistance system;

they could also think about the possibility of expanding the coverage of the urban Housing Provident Fund (HPF) system to migrant workers who have steady jobs in cities, and could implement more flexible policies. When it comes to tax policies, relevant authorities should grant certain tax incentives to individuals or organizations that build dormitories for migrant workers and/or provide housing rental services; they should also grant such tax incentives to migrant workers who are able to buy affordable and price-controlled housing. Thirdly and lastly, relevant authorities should establish appropriate financial and land supply systems which would favor the building of affordable housing for migrant workers, thereby gradually including these people in the urban affordable housing system available to all workers.

References

- Wang Ning (2012) On the diversified supplies of public goods in China. A master's degree thesis at the Graduate School of the CASS
- Xu Zengyang, Gu Qin (2010) The citizenization of migrant workers: government responsibility and public service innovation. *J S China Norm Univ (Social Science Edition)* (1)
- Yu Jianrong (2008) On equal access to basic public services vs. the issue of migrant workers. *China Rural Surv* (2)

Ning Wang is a candidate for a doctoral degree at the Department of Urban Development and Environment, the Graduate School of the CASS, who focuses on public services

Ye qiang Wang has a Ph.D. in economics and is an associate researcher at the IUE who focuses on urban economics.