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China's Exported Labours in East Asia : General Situation and Government's Practices for Protection

by

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(The views presented in this paper belong to personal opinions for your reference
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Thank you Mr. Chairman. Good morning ladies and gentleman. First of all, may I begin by extending sincere thanks to NEAT Malaysia for your hospitality and wonderful arrangement. Now I would like to touch upon the general situation of China's exported labours in East Asia and then share with you China's experience in protecting the safety and welfare of personnel abroad for labour services.

I. General Situation on China's Exported Labours in East Asia

A Vast Labour Force Resource Country

China belongs to one of the most important labour resource countries world wide. With the population increasing at the rate of 8 millions to 10 millions per year, nowadays China faces nearly 10 millions and over 200 millions surplus labours in cities and the countryside respectively.¹ Although a great many opportunities and positions have been provided owing to China's 30 years of high-speed economic growth, the pressure of overspill labours remains tight. Consequently, exporting labor services turns to be an ideal choice for both Chinese Government and citizens in order to find more chances abroad.

China's Exported Labours in East Asia

Notwithstanding her limited world labour services exporting shares, the scale and speed of China's labour exporting has witnessed considerable development. Up to now, being the continent hosting the largest number of Chinese labours, Asia occupies 72.7 percent of world shares, much larger than those of other continents.²(See Figure 1 below) If we do an easy calculation according to table 1 below, we may conclude that, from 1999 to 2002, China's mainland sent altogether 1,045,424 labours to East Asian countries and areas(including Hong Kong, Macao and Taiwan province), which took up over 86.8% of all the Chinese migrant labours within Asian area. Apparently, as a result of the geographic contiguity and similarity of cultural background, East Asian countries, especially Singapore, Japan, and the Republic of Korea have become China's priority and main destinations of "Go-Outside" Strategy in terms of labour force exporting and cooperation.³

¹ See: http://www.gov.cn/test/2005-07/26/content_17363.htm.

² See: <http://www.mofcom.gov.cn>, " China's Exported Labor Services in 2005 " , March 2nd,2006.

³ According to the official data provided by the Ministry of Commerce of China, by the end of June 2006, China had carried out cooperation in labor services exporting with 160 countries and regions in the world. The 3 biggest receiving countries are as follows: Japan(130,000), Singapore(83,000), the Republic of Korea(54,000).

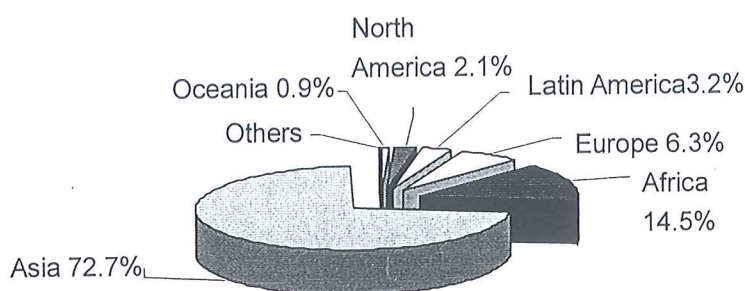


Figure 1: Continental Distribution of China's Exported Labours in 2005

Table 1: China's Exported Labours in Asia from 1999-2002

Country/Region	1999	2000	2001	2002
East Asia	217196	255426	295765	277037
Singapore	60867	73706	85666	79478
Japan	32874	44731	56218	71035
the Republic of Korea	35733	42541	43492	40875
Hongkong	19979	18394	23039	23286
Macao	28260	28253	36563	21033
Taiwan Prov.	24473	28718	29678	18015
Vietnam	3275	4105	4974	5616
Cambodia	5408	6669	5458	5138
Malaysia	1979	3020	3455	3830
Indonesia	1465	1793	2392	3150
Thailand	1171	1391	2928	2545
Myanmar	616	783	1119	2311
Laos	609	696	328	427
Philippines	422	538	439	276
Brunei	65	88	16	22
South Asia	3517	3472	2970	2386
Middle Asia	2266	2129	2105	1926
West Asia	19604	22095	32464	37904

It is shown by statistics that 31.5% of Chinese personnel abroad for labour services are engaged in manufacture, 26.1% deal with agriculture and forestry, and around 15% undertake construction and transportation. According to figure 2 below, in East Asia, China's exporting labours in 2005 mainly chose to flow to those trades such as manufacture, construction, farming, forestry, animal

husbandry, fishery and transportation, all of which are labour intensive industries. But in recent years, the labour services cooperation between China and ASEAN countries driven by contractual projects has undergone the transition from labor-intensiveness to technology-intensiveness, while at the same time, the exporting of personnel on computer programming maintenance from China to Japan and Korea is on the rise too. All above new changes indicate the level and areas of China's labour services exporting has been improved and widened step by step.

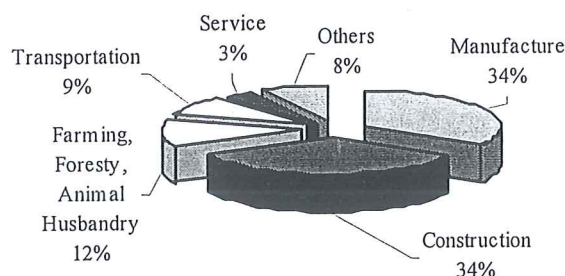


Figure 2: Industry Distribution of China's Exported labours in East Asia

Significant Contributions to Both Sending and Receiving Countries

After 20 years of development, China's labour services exporting, a burgeoning industry, has gained encouraging achievements, from which both the sending and receiving countries have benefited a lot. According to experts' calculation, the remittance sent back by Chinese labours abroad at present amounts to 2 billion US\$ each year, which means the living standard of Chinese migrant labours' families have been greatly improved and this in turn has stimulated people nearby to build up family fortunes. While easing domestic employment pressure and earning foreign exchange, China's labour services exporting has also contributed to fill up labour shortage in advanced and new industrialized countries such as Japan and Singapore and promoted "bottle-neck" industries such as infrastructure building in developing countries through contractual projects within East Asian area.

II. China's Practices to Protect Exported Labours

Realizing the important contributions made by exported laborers and their vulnerability of safety and welfare, Chinese government has applied herself to ensuring and protecting exported labours' legitimate rights and welfare all along. In China, several departments concerned participate and coordinate in the policy-decision to protect migrant workers with the Ministry of Commerce as the core. Gradually, a set of administrative system has been set up and a series of concrete measures on promotion, protection and supervision of foreign labour services cooperation have been carried out:

-----**Publicizing policies to protect exported labours' legitimate rights and interests.** In view of many lawbreakers' defrauding conducts and the exported labours' heavy losses, the Ministry of Commerce released two emergency notices in succession. For one thing, these two notices prohibit by official order the illegal emigration and aim to help migrant workers take precautions against cheating in the name of foreign labor services cooperation. For another thing, they manage to provide favorable conditions for China's migrant workers' easy access into the international labour services market by requiring receiving countries' protection in accord with their local laws.

-----**Adopting the regulation of Reserve Fund.** The Ministry of Commerce and Ministry of Finance joined hands to formulate the regulation of Reserve Fund in year 2003. According to this regulation, the corporations engaged in exporting labour services can hand in a certain amount of reserve fund, whose main purpose is to pay as compensation for the workers' loss caused by the corporations' poor management in such forms as repatriating fees and so on.

-----**Abolishing the rule of the corporations' collection of bail.** In order to normalize the corporations' management order and effectively alleviate the dispatched labours' economic burden, in 2003 the Ministry of Commerce and Ministry of Finance launched a joint announcement to stop the corporations from collecting bail from exported workers' any longer.

-----**Promulgating management decree of exported labours' training.** The Ministry of Commerce attaches much importance to enhancing the exported labours' working and self-protection capability and correspondingly in 2004 set forth the management decree of exported labours' training. Under this decree, not only should the dispatched labours be trained and certified by the dispatching corporations, but also the managers of the dispatching corporations should be trained to improve executives' quality as well.

-----**Reinforcing consular protection.** The Ministry of Foreign Affairs spares no efforts to provide consular protection for China's overseas citizens and organizations, fully demonstrating the "People-First" diplomatic thoughts. In 2004, the Ministry of Foreign Affairs took the lead to establish the institution of the ministerial-level joint conference system for the protection of Chinese citizens and agencies abroad. In 2006, the Ministry of Foreign Affairs set up the consular protection office in consular department, which is the first sector to specialize in handling and safeguarding Chinese overseas citizens' legal rights. In August 2007, the consular protection office was upgraded to consular protection center with a view to further meeting the increasing consular protection affairs that may be triggered by such reasons as terrorist attacks and accidents and so on.

-----**Establishing assistance center for exported labours.** At present, several provinces, such as Hei Longjiang, Jiang Su and Zhe Jiang, have set up assistance center for dispatched labours. The responsibilities the center bares include offering in-time help to overseas labours in case of emergencies, receiving complaints of dispatched workers, managing all sorts of labour services disputes, and providing legal aid and policy consulting services to dispatched labours.

Besides, the bilateral governmental cooperation has been enhanced greatly. The Ministry of Commerce has established consultation mechanisms with main receiving countries and regions and signed bilateral labor services cooperation agreements with many nations.

Conclusion

Migrant labours have become closely associated with unprecedented economic growth and integration within East Asia. Owing to the geographical advantage and economic development complementation, China gives her first priority to East Asia and then East Asian countries host the absolute majority of China's exported labours. As well as giving new opportunities to the well being of Chinese migrant labours themselves, labour migration can ease skill imbalances in regional labour market and more importantly provide economic and cultural benefit to both the home and host countries, which in the long run contributes a lot to East Asian community building.

China's status quo of labour services exporting can be analyzed in two aspects. First, China will have witnessed 720,000 personnel abroad for labor services by the end of 2010 according to the 11th 5-year-plan. Second, due to some certain restrictions from domestic and abroad, now China only accounts for 1% of the total number of world's exported labours. So from the positive and negative points of view above, China does have a very promising prospect and at the same time a long way to go in respect of labour services exporting. How to protect and improve migrant workers' legal rights serves as one of key driving forces for the development of China's labor services exporting. It is held by many domestic experts that some breakthroughs can be made in the areas from the improvement of legislation and social service system to further deepening of effective international cooperation, especially with East Asian countries. So we do hope to learn instructive experience from each other to establish East Asian cooperative mechanism on migrant labors as early as possible.

So much for my presentation and I thank you for your patience and attention!