

RANSLATIONS

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实行农民工"月薪制",有多难?

How Difficult is it to Implement a "Monthly Pay System" for Migrant Workers?

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Background Note by Translator

In the year 2022, there were approximately 295.6 million migrant workers in China. Data released by the National Bureau of Statistics in April 2022 showed, 19 percent of them i.e., 56.16 million were engaged in the construction industry. These migrant workers live in miserable conditions. The government has adopted a series of measures to alleviate their conditions, which include regulatory measures undertaken by the government to set minimum wages, combat wage arrears etc. The Rules of Minimum Wages implemented by the People's Republic of China in March 2004 served as a safety net by providing a wage floor to the migrant workers, although the "minimum" still varies with location. Opinions on Comprehensive Control of Wage Arrears of Migrant Workers issued by the General Office of the State Council in January 2016, demanded wages to be paid through bank accounts and not cash. Besides, companies were called to apply for a real-name wage payment card. In 2017, the Ministry of Human Resources and Social Security issued a policy on Interim Measures for the Management of Wage Arrears Blacklist, by which companies that did not pay their workers or deducted wages sanctioned. These migrant workers were given direct provision of legal services, and the centre also facilitated the establishment of a national network of NGOs in more than 20 provinces and autonomous regions. According to reports by Beijing Zhicheng Migrant Workers Legal Aid and Research Centre (affiliated with Special Consultative Status with Economic and Social Council since 2011), until 2017, around 5,50,000 migrant workers received about 600 million yuan in unpaid wages and compensation. Despite the efforts made by the government, migrant workers continue to face the problems of wage arrears. How difficult is it to implement the Monthly Pay System for Migrant Workers?

If we truly want to implement the "monthly pay system" for migrant workers, we still need to strengthen supervision and penalties to realize "beautiful reality" from "rights on paper".

The issue of wages for migrant workers sparked heated discussions again at the "Two Sessions" held this year. According to The Beijing News, Tan Shuangjian, a deputy to the National People's Congress, who has been engaged in the construction industry for 27 years, suggested that migrant workers in the construction industry should be paid monthly wages like any other salaried workers. Moreover, relevant government departments should be set up to provide institutional management and supervision over the issue of payment of wages by enterprises, thereby gradually realizing the monthly salary system for migrant workers.



Tan Shuangjian demands 'monthly pay system' Source: sina.com



Tan Shuangjian – worked as construction worker for 27 years; is currently NPC deputy from Tianjin.

Source: sina.com

Just as a tossed stone raises a thousand ripples, netizens have expressed their opinions on this issue:

"What we are most concerned about is wage arrears. It is good to pay on a monthly basis, but the problem of wage arrears must be resolved first."

"With so many complex projects completed in China, why is it hard to pay migrant workers their wages?"

"Our company indeed sends us money every month, but the only thing that is paid is the living expenses, which is just over 1,000 yuan. They say the rest will be settled at the end of the year."

The truth is, the "monthly pay system" for migrant workers has also become an old topic. As early as 2004, Ou Chengzhong, a member of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) recommended the implementation of a "monthly pay system", i.e., wages should be paid monthly and all settlements be done at the end of the year. Subsequently, many CPPCC deputies proposed to implement a "monthly payment" system for migrant workers' wages.



欧成中 Ou Chengzhong, CPPCC Source: china.org

A 19-year-old suggestion arousing heated discussions in the public domain shows that the society is deeply concerned about the protection of the rights and interests of migrant workers. However, this prevailing situation also exposes why it is so difficult to safeguard the rights of migrant workers.

Where is the difficulty? First, the signed labour contracts are not yet without flaws, and the wage arrears problem occurs from time to time. At present, owing to repeated orders from the central government and active impetus from local governments, although a considerable number of migrant workers have signed labour contracts with employing enterprises, the terms of these contracts have not been well implemented. Some enterprises still use excuses to evade contracts and take advantage of legal loopholes.

This has left many migrant workers in a de facto state of lack of protection. The absence of holistic rights and interests will be transmitted to all aspects of labour rights of migrant workers.

Besides, the construction industry has a special cash flow method which does not favour the industry to adopt a "monthly pay system" for migrant workers. The construction industry mostly adopts a project system, and subcontracting at different levels is very common. Migrant workers are at the end of the entire chain. This also makes it difficult for migrant workers to assert their own rights and interests in many cases, and they lack bargaining power. The wages of migrant workers are also often part of the overall fund and are not specifically differentiated.

Moreover, there are specific reasons why many individual migrant workers do not prefer the "monthly wage system." First, it is related to their having become accustomed to long-standing wage-payment habits; second, it has also to do with the fact that they tend to be adrift in various cities. The money they need while working and living in a city is just to meet their subsistence needs as a larger part of their earnings needs to be taken home.

Of course, in recent years, with the popularity of mobile phones and digital payment systems, migrant workers do not

have the problem of safekeeping their money, and a "monthly pay system" has gradually become acceptable.

Over the years, the concerned government agencies have been addressing the issue of wage payments for migrant workers. On May 1, 2020, the "Regulations on Ensuring Payment of Wages to Migrant Workers" officially came into effect. This was for the first time that the issue of wages was written into law. The new law clearly stated that the construction unit and the general construction contractor shall sign a written **Project** Contract Construction accordance with the law. And, that the validity of the project period, the method of calculating the wage payment during the project, and the labour cost appropriation period – all shall be clearly stipulated in the Construction Project Contract. The Law further stipulated that it must be guaranteed that the migrant workers are paid their dues in full and on time, as agreed in the contract. Finally, as per the new law, labour cost appropriation period shall not exceed one month.

Sadly, the implementation of "monthly pay" so far has not been very encouraging. As some migrant workers said, contracts have been signed in many places, and monthly wages have also been paid, but a new trick has been played, i.e., only a part of the cost of living is paid, and the rest is still left to

be settled by the end of the year. As for the opening of special accounts for the wages of migrant workers and the adoption of real-name management systems, there have been a lot of discrepancies in the implementation.

In the final analysis, if we really want to implement the "monthly pay system" for migrant workers, we still need to strengthen supervision and penalties. We need to truly implement the terms/provisions determined by various laws and regulations in order to realize the "beautiful reality" from mere "rights on paper". In a healthy society, there should not be such a disparity of rights, but rather proactive initiatives should be taken as there are always more solutions than difficulties.

Since the National Labour Bureau has to solve several problems related to nonpayment of wages every year, it is advisable to try to move ahead slowly, starting with investigating whether enterprises especially construction enterprises, are complying with the laws and regulations or not and continuously strengthening the institutional basis in order to protect the legitimate rights and interests of migrant workers. This would gradually lead to healthy development of positive systems such as the "monthly salary system" for migrant workers.

Chinese-English translation reviewed by **Raj Gupta**, a researcher in China studies, Centre for Chinese & Southeast Asian Studies, School of Language, Literature & Culture Studies, JNU, New Delhi.

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ICS Translations *Back Issues*

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No. 37 Jun 2023	Why can't the US-Japan-Dutch semiconductor agreement contain China?	Prashant Kaushik
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No. 29 Mar 2021	Illegal and Viewed as Unethical, China's Surrogacy Debate is Caught between Blood Affinity and Parenting	Snigdha Konar
No. 28 Mar 2021	Wedding Gift New Regulations 2021: Is it really true Caili is gone? Is demanding 'bride price' now against the law?	Hemant Adlakha

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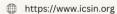
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