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Why Do Migrant Workers Not Participate in Urban Social Security Schemes? The Case of the Construction and Service Sectors in Tianjin

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Introduction

Policies concerning rural-urban migrant workers in China have changed dramatically since the late 1990s. While migrant workers still do not hold an urban *hukou* (household registration as urban residents), they can now live in cities without fear that they will be checked, arrested and evicted by the urban police. They now can be quite sure that if their salaries are not paid, they will be able to seek free legal and administrative help to get their money back. They have much improved access to various social services, such as children's education. All these changes have greatly improved the position of migrant workers in urban China.

Improving the social rights of migrant workers is now largely focusing on extending urban social security schemes to migrant workers. Unlike changes in other aspects of social provision, which are actively embraced by migrant workers, such as free education for their children, social insurance schemes have not been favourably received by migrant workers and this is particularly true for the unemployment, health and pensions schemes. According to the "Survey on the Participation of Pension Schemes by Rural-Urban Migrant Workers" (Guanyu nongminggong yanglao baoxin wenti de diaocha") in 2005, in seven provinces and one large city, 80 percent of enterprises did not wish to contribute to pension insurance; 83.2 percent of the migrant workers were not willing to contribute and more than 90 percent did not contribute at all (Xiao and Liu, 2005). A recent survey by Guan (2007) in five big cities found that the participation rate in pension insurance was less than 10 percent. As more rural-urban migrants join the urban workforce from rural areas and remain in the cities for longer periods (Li, 2005), the economic and social costs of having large numbers of people in the workforce not covered by the urban social security schemes escalates and can be potentially damaging to society in the long run.

The state of non-participation among migrant workers raises two questions: why are rural-urban migrants not willing to contribute to pension schemes and why have rural-urban migrants who are willing to contribute not participated?

Previous research on social welfare participation has uncovered a number of reasons for unwillingness to participate. However, these studies have not examined whether prospective participants are really aware of, or understand, the schemes. The assumption behind existing research, therefore, is that individuals have made informed decisions on whether to participate. This chapter argues that in the context

of rural to urban migrants in China information is not always available for informed decision making. I use in-depth interviews with 70 rural to urban migrants in the construction and service sectors in Tianjin to demonstrate that migrant workers are not always aware of the existence of social insurance schemes and even if they are aware of their existence, they may not necessarily understand the schemes. The chapter considers the implication of such research findings for future policy analyses.

Literature on social welfare/insurance participation around the world

A lot of research has been done for countries other than China to understand why some people are more willing to participate in social insurance than others and why some schemes are more attractive than others. Bassett and Michael (1998) examined how workers use 401(k) plans in the United States. They concluded that employee participation rises with income, age, job tenure, and education. Participation also rises if the employer matches contributions. They also considered that many workers, particularly those with low incomes, did not use 401(k) plans to save for retirement. Chen (2001) studied voluntary salary sacrificing plans of the United States in 1993. It was found that such plans had not, as people suspected, contributed to the growing pension coverage gap between whites and minorities. Shuey (2004) studied the decisions made when workers faced a choice of defined contribution plans and supplemental pension plans. The findings suggested that gender differences and marital status influenced decision making. Rege et al. (2007) estimated the magnitude of social interaction effects in disability pension participation among older workers in Norway. They found that people were more likely to draw on disability pensions when neighbouring plants were downsized. Li and Olivera (2005) examined the determinants of enrolment in the pension system in Peru and found that a selected group of people i.e. married males with at least secondary education, high income individuals and individuals with other family members already participating in the pension system, were more likely to participate than other social groups.

There are a fairly large number of studies on social welfare and social insurance participation of migrants which can offer insights into their decision making. Previous research has compared the take-up rate of migrant groups and natives (Hansen and Lofstrom, 2003; Castronova, et al., 2001; Hu, 1998; Borjas, 2002; Hao and Kawano, 2001; Currie, 2000) and among different migrant groups (Borjas and Hilton, 1996; Davies and Greenwood, 1997; Davies, 1997; de Silva, 1997). Currie (2004) concludes that while migrants are more likely to be eligible for welfare, they are less likely to take it up, other things being equal. However, migrants become more likely to take up benefits with assimilation. The length of migrant stay in the destination is related to their participation of welfare state programs. The longer the duration of their stay, the more likely it is that migrants will participate in social welfare schemes (Borjas and Trejo, 1991; Davies, 1997). Migrants participation in welfare programs is also likely to be influenced by ethnic networks. "The types of benefits received by earlier immigrants influence the types of benefits received by newly arrived immigrants" (Borjas and Hilton, 1996; Hao, 2001). Hu (1998) established a connection between

the economic cycle, migrants' age and their welfare participation. He concluded that in the 1980s, migrants who arrived after age 55 were more likely to use welfare than typical migrants who arrived during their prime working years.

Hansen and Lofstrom (2003) analyzed a panel dataset from 1990 to 1996. They found that migrants used welfare more than natives. Borjas (2002) examined the role of the federal policies in the US in changing the behaviour of migrant welfare participation. Borjas (2004) also examined how policies in relation to state funded aid impacted on migrants' food insecurity. Kaushal and Kaestner (2005) found that the Personal Responsibility and Work Opportunity Reconciliation Act generated fear among migrant families and caused lower participation rate in health insurance enrolment. Castronova, et al. (2001) found that migrants were more likely than native Germans to receive welfare, not only because migrants were more likely to be eligible, but also because they were more likely to claim their benefits when they were eligible. However, they also found that this greater propensity to take up benefits was not really related to migrant status. When other socio-demographic factors were controlled for, migrant households headed by low educated women were not more likely to take up benefits than native households.

These studies do not explicitly discuss the role of information. However, they implicitly suggest that sources of information can be relevant. For example, social networks, in particular ethnic groups, or family members have played important roles in influencing decision making with respect to take-up rates.

Studies of social insurance participation in China

Nielsen, et. al. (2005) examines participation in social insurance schemes by rural-urban migrants in Jiangsu Province in China in December 2003. They used survey data from Jiangsu province to examine which rural-urban migrants received social insurance in Chinese cities, the factors that determined the willingness of migrants to participate in social insurance and the reasons that migrants were not willing to participate. They discovered that migrants from Jiangsu province were more likely to participate in social insurance relative to migrants from outside the province. People working in the state sector were more likely to participate in industrial injury and maternity insurance. Male migrants were more likely to participate in social insurance than females. The length of time in city and past personal income were also predictors of whether a migrant participated in social insurance.

The authors identified three factors that affected the willingness of rural-urban migrants to participate in urban social insurance. The first factor was the location of residential registration, i.e. whether the person was registered inside or outside Jiangsu province. They found that migrants from Jiangsu province were more willing to participate than migrants from outside Jiangsu province. The second factor was the length of time a respondent had lived in the city. The research suggested that the longer a person lived in the city, the greater their willingness to participate. The third

factor was the respondent's age. The survey results showed that younger respondents were more willing to participate. The authors also highlighted that the effect size of younger respondents' participation was small.

Nielsen, et. al. (2005) also discussed why rural-urban migrants were not willing to participate in urban employee social insurance schemes. They found that the major reasons were concerns about getting contributions back if they returned to their hometown or went elsewhere to work and concern that they would not be able to collect insurance after paying. According to that study, these two reasons explained about 50 percent of non-participation. The authors concluded that legal restrictions on relocation were still the key factor that prevented migrants from joining the urban social insurance scheme.

Yang and Guo (2006) discussed the shortcomings of the design of pension schemes in China. They focused on five problems. First, pension schemes work best with long term stable contributions. But rural to urban migrants are highly mobile. Second, neither migrant workers nor their employers are willing to contribute. Third, there are big gaps between regional contribution rates and entitlements; therefore it is difficult for migrant workers to transfer their entitlement from one location to another. Fourth, the pooling schemes are highly localised, making it difficult to transfer contributions from one place to another. Finally, information sharing among local authorities is poorly coordinated, which makes it difficult for local authorities to keep good records of the contribution history of migrant workers when they move between places.

Guan (2007) carried out a survey in five cities in 2006 and found that less than 10 percent of rural to urban migrants had participated in the urban social insurance system. He confirmed the finding of Nielsen et al (2005) that a main problem for migrant participation lied in the localised social insurance governance. He further pointed out that the practice whereby city authorities were reluctant to allow easy funding transfer between cities led to financial losses for migrant workers when they moved. This was not a cost to employers, but a direct cost to migrant workers.

A clear distinction between the literature on China and the literature for western countries is the lack of discussion of the influence of social networks in China. Does this mean that the decision of Chinese rural to urban migrants on whether to participate in social insurance is less likely to be influenced by those around them? This certainly does not coincide with the findings in other aspects of migrants' life, where migrant networks and family connections have important roles in their urban life. This is particularly the case for new migrants.

A further question is, given that migrant workers are new comers to cities, to what extent are they aware of social insurance schemes? It may be that they do not know or do not understand what is on offer. What is more, policy changes are based on the assumption that existing schemes do not fit the needs of migrants. However, if policy

makers do not have data on whether migrants know or understand the schemes, it is difficult to justify policy changes on perceived needs.

The analytical framework

My main argument is that information has so far prevented rural to urban migrants from making informed decision on whether to participate in urban social insurance schemes. There are two aspects to the role of information. The first is improving awareness of the existence of urban social insurance schemes. The second is enhancing understanding of each scheme.

Unlike urban residents who live and work in cities all their life, rural to urban migrants have greater difficulties in receiving and digesting information regarding urban social insurance schemes.

First, rural-urban migrants did not have access to social welfare in the past (Li, 2005; Tang and Ngan, 2001; Wu, et al., 2004; Li, 2006; Xu, 2003). The collectively organised rural healthcare system collapsed with economic reforms (Bogg, et al., 1996; Liu, 2004). The state funded welfare centres for elderly people who did not have close relatives to take care of them were also closed (Davis, 1989; Hussain, 1994; Smart and Smart, 2001). Some later attempts to re-establish social welfare in these areas were not very successful, particularly in poor rural areas.

Second, even where there have been efforts to revive rural social security schemes in recent years, farmers are still covered by a segregated social insurance system which is very different from the urban system. Over time, farmers have relied on informal protection through family and kinship networks, rather than the state, to protect themselves against various social risks.

Therefore, when rural to urban migrants first come into cities, they are not only unfamiliar with the kinds of risks that they have to face in an urban environment (Zhang, 1999), but also are not aware of the social protection options that are available to them. It will take time for them to collect the necessary information. Intuitively, if they are not properly guided and they are busy with work, it is very likely that they do not even know of the existence of urban social insurance schemes.

Furthermore, even if rural to urban migrants are aware of the social insurance schemes and realise the necessity to protect themselves against the social risks, it is not clear that they really understand how the system works.

The on-going and quite frequent policy changes made it difficult for both rural to urban migrants and their employers to follow the policies. It generates high administrative costs for employers (Nielsen et al. 2005). To follow the changes closely, employers have to hire professionals to handle social security registration and accounting. It is not unexpected that employers would have little incentive to voluntarily offer detailed

information to migrant employees.

The availability of alternative social support mechanisms may be a reason for why migrant workers may not be keen to find out how the social insurance schemes work even if they are aware of the social risks. Even after migrant workers settle down in the cities, they continue to rely on informal social support (Zhao, 2003). For example, they can rely on their children for old age, return to village when they become unemployed and return home for medical care when they are seriously ill.

Poor understanding can also be a result of lack of incentives to acquire better knowledge. For the migrants, contribution based social insurance means a percentage of income will be taken out of their pocket before they even earn money in cities. Therefore, migrants need to be able to trust the urban authorities' ability to bring benefits to them in the future. There is still lack of trust in urban authorities, public service providers and the urban society at large. The lack of trust stems from a long history of exclusion and harsh treatment of rural to urban migrants in cities authorised by the state (Zhang, 1999; Zhao, 2003; Banister and Taylor, 1989). If the migrants are not interested in what the urban authorities offer them in terms of social insurance, they may have little incentive to find out more about it. In this sense, the impact of distrust and poor understanding may be mutually reinforcing.

The purpose of this research is to ascertain the level of awareness and understanding of social insurance schemes among rural to urban migrants. We examine how much people know about the social insurance system, what are the sources of information, and whether they really understand the schemes. This chapter will focus on three types of social insurances; namely, unemployment, health and pension insurance.

Research methods

The dataset was obtained through in-depth interviews with 70 rural to urban migrants in the construction and service sectors in Tianjin, China, in December 2006. Tianjin is one of the four metropolitan cities directly controlled by the Central Government. It has become an important destination for rural to urban migrant workers in North China. It is estimated that about 1.5-2 million migrant workers are working and living in Tianjin.

The research is largely exploratory. It is designed to inform future research. I use a combined qualitative and quantitative approach. The purpose is to gain subjective responses from rural to urban migrants.

In Tianjin, migrants work in all sectors of the economy. There are multiple reasons why I only selected construction and service sector migrant workers. First, providing social protection for migrant workers in the construction industry is one of the main policy concerns. Because it is easy to find jobs in the construction industry, it has been an attractive option for newly-arrived male migrants. Usually, they would work in

construction for a while and then move on to better paid and less tiring jobs. Migrants in the construction sector are highly mobile and readily move between projects and areas. Administratively, a construction worker does not “belong to” one employer and does not stay in one place for a very long time. Therefore, construction workers have always been considered particularly vulnerable. Second, the service sector is the least organised sector. It has lots of small businesses and self-employed people. It is difficult to reach small businesses and the self-employed through the conventional enterprise administration system. Therefore, it is likely that workers from the service sector will be the least likely to be informed of policy changes.

The interviews included questions regarding basic social demographic information, status of participation in social insurance schemes and, for those who did not participate, how they coped without social insurance. In order to gauge awareness of social insurance, I asked the migrants questions regarding whether they were aware of the existence of each individual social insurance, whether they knew the details of each social insurance and the sources of information.

There were some issues related to data collection. First, unlike urban residents, there was no official residential registration list that I could choose from. Second, the interviews required continuous conversation with the interviewer for about twenty to thirty minutes. Migrant workers were more ready to answer close-ended questionnaires with straightforward questions than open-ended questions which would require them to talk relatively longer. Thirdly, several pilot interviews suggested that rural to urban migrants had become the targets of many interviewers coming from either the media or universities. Migrant workers and their employers were very weary of the interviewers. In-depth interviews were somewhat detested by migrant workers.

To overcome these problems, the interviewees were sampled through a snowballing process. I employed six interviewers from Nankai University, Tianjin. The interviewers were master students. They all came from different provinces and could speak with the interviewees in local dialects when necessary. Each interviewer first selected one interviewee coming from their home county. At the end of the interview, the interviewees were asked to recommend more interviewees. The recommended interviewees could not work for the same employer nor come from the same county, but could be from the same province. In this way, it was easier to gain access to new interviewees. With the reference from friends, the interviews were easier to schedule and the number of interrupted interviews were minimised. Before each interview, the interviewer promised anonymity to the interviewee.

During the interviews, the interviewers asked further questions for clarification. Before the fieldwork, all interviewers received training on how to do in-depth interviews. Some interviews were recorded with the interviewees' permission. When recording was not permitted, the interviewer took notes.

There are clearly some limitations on the data collected. The interviewees were more likely to introduce other interviewees from the same province. This problem was partially avoided as we started with at least people from six provinces and ended up with people from several more provinces. Not all recommended interviewees were willing to be interviewed. There were five refusals. Three interviews were interrupted because the interviewees were not willing to complete the conversation. Therefore, there could be some degree of selection bias. The final problem was that the interviewees were carried out in Tianjin only. I cannot generalise the results to the whole of China. Given that the research is exploratory and is designed to encourage larger scale research in the future, I would prefer for the readers to treat the conclusions as being restricted to Tianjin only.

A brief policy review of recent social insurance changes in Tianjin

In 2006, the Tianjin authorities started to publish new policies designed to improve access to various social insurance schemes for rural to urban migrants. The new schemes do not treat migrants exactly the same as urban residents. At the time of the interviews, access to social insurance schemes was not the same for pension, healthcare and unemployment.

Access to urban health insurance was open to rural to urban migrants from September, 2006. Tianjin local authorities published “Measures of Providing Social Health Insurance to Rural to Urban Migrants” (Tianjinshi Nongmingong Yiliao Baoxian Banfa”). The content of the new policy was officially publicised in mid July and the policy took effect on 1st of September.

Although there is no specific local regulations, unemployment insurance was listed as a right to rural to urban migrant workers by the Ministry of Labour and Social Security in 2005. Employers are required to contribute on behalf of migrant workers.

The pension scheme is more complicated. At the time of the interviews, Tianjin had not yet started offering pension coverage to rural to urban migrants. However, as migrant workers come to Tianjin from cities that do offer pension insurance, they can either choose to continue or cease contributing to pension insurance.

Given the accessibility of the three schemes, we would anticipate migrant workers would at least know of the existence of all three schemes.

Research findings and discussions of the results

There were 63 (90%) male and 7 (10%) female respondents. The average age of the interviewees was 35. They had on average stayed in Tianjin for four years. Three interviewees came in the 1980s. Sixteen came in the 1990s. Fifty came after 2000. They came from eleven different provinces, including ten from the rural suburbs of Tianjin. 23 (33%) of the interviewees were single and 47 (67%) married. 45 have children. The families of 23 respondents were in Tianjin (see Table 1).

The average income of the interviewees was 1024 RMB per month. 60 percent of them came from the service industry and 40 percent came from the construction industry. The view that the construction industry attracts more newly arrived migrants was confirmed by our data (as shown in Table 2). However, the income level was not much different between construction industry and the service industries.

Urban risks and reliance on informal protection

Among all interviewees, two people participated in unemployment social insurance. Both of them worked in the service sector. Four people participated in health insurance. They all worked in the service sector. Three people had pension coverage. All of them worked in the service sector as well. There is only one person who had joined all three types of social insurances and one person who joined two types. The average income level of people who had one of the three types of social insurance was 1158 RMB/month, higher than the average income of all interviewees.

Unemployment

Among all the interviewees, 15 people (21%) had experienced unemployment in the past. The period of unemployment varied. The shortest period of unemployment was less than two weeks. In one case, the interviewee was out of a job for more than 6 months. One might expect that people who could not find jobs in the city would rather go back to their home villages. However, the interviews suggested that among the 15 respondents who had lost their jobs in the past, only two went back to their home village. All the others decided to stay in the city. They relied on their own savings until they found new jobs. In contrast, among the 55 people who had not experienced unemployment, 30 people did not know what they would do if they became unemployed. 18 reported that they would go back home. One reported that they would borrow money from others. Only one would rely on their savings (see Table 3). The possible explanation for the differences is that migrant workers who actually lost their jobs would not go back home straightaway. They would try to find another job by themselves. During job hunting, they would rely on their own resources or borrow from other people to survive for a while. They could end up staying in the city for quite a long time before they gave up and returned to the villages. In most cases, they would be able to find a job after a short while.

How did the migrants get by when they stayed in the city without a job?

WMZ: "I saved very hard when I had a job. I did not want to spend money on useless things. When I did not have a job, I spend even less. I ate less and slept in the street. If it was too cold, I tried to find some folks to stay with for a short time. It was not nice to stay with them for long. They had their own problems. I did not want to trouble my family back at home if I could not earn money. Not sending money back was already very problematic. If there was no hope to find a job, I went back to my village. This is the second time I am here. I first came here more than ten years ago. I left for quite a long time. When opportunity appeared, I still wanted to come".

LLG: "I have relatives here. When I lost my job, I went to them to ask for help. They had been here for more than 10 years. They are more reliable. We can't count on the city people or the government to do anything for us. If I cannot find a job for a very long time, I will consider going back to my home village. "

MLS: "I was only 19 the first time I lost my job. I did not save very much when I was working. I felt I was young and wanted to have a good time. I only had a small amount of money with me at the time my employer just disappeared. The money was stolen. I did not have any money to buy food. I had to beg for food. It was a very dark time in my life. But I tried very hard and found a job again very soon."

When migrant workers became jobless, their own savings was the first source of income and they could also to some extent rely on social network to survive.

Health problems

At the time of the interviews, employers were supposed to pay for rural to urban migrant workers' healthcare costs if they were injured at work. Therefore, migrant workers were in general not worried about getting injured at work.

Among the interviewees, 36 (51%) had been ill in the city. 35 had taken medicine on their own and one person did not take any medicine. 13(19%) had used hospital services, among whom thirteen paid for the healthcare out of their own pocket, while only one person's healthcare costs were covered by the employer.

It is important to note that migrant workers have their own definition of illnesses, which can be quite different from the usual definition urban people would use.

Migrant workers define illnesses in relation to their work. Several migrants emphasised this in interviews. As the interviewee MWG said:

MWG (construction worker): "If I am injured at work, our employer will pay for our healthcare. If I am seriously ill, I will not stay here. I will have to go back home. I cannot afford to stay in hospital here. If it is not serious, then there is no need to go to the hospital. Headaches and fevers are nothing. We only take medicine when it is necessary....such as when I cannot get up to go to work. That is an illness for us."

In his words, the only problem that bothered him when he was in the city was the temporary loss of earning ability caused by lying in bed in Tianjin.

People have different coping strategies.

LSH (self-employed small business owner): "I paid for minor problems on my own. When the illness is not serious, I just buy medicine, antibiotics and pills for fever reduction. Or I just rest a

bit and it will get over it automatically. In the worst case, I went to the hospital to receive a droplet injection. Then I was fine again.”

WKY (street vendor):“We are extremely busy. I do not have time to go to hospital at all. If I am very ill, I just rest a bit. I rarely take medicines.”

Old age

As shown in Table 4, the answers to the question regarding old age are significantly related with the interviewees’ age group. Younger interviewees (under 30) tend to laugh at the idea of worrying about old age. They felt retirement had nothing to do with them. Obviously, this is not a unique phenomenon among rural to urban migrants. However, they indeed saved and sent money back home. In contrast, people from the older age group were increasingly ready to rely on their children or going back home to ensure security in old age in the future.

ZS: “I have been working to support my children to go to schools. One of them is going to university next year. By the time I retire, they will become prosperous. They will definitely support me and take care of me.”

In general, the existence of informal networks offered migrant workers some sort of protection. In the case of emergency, they were ready to rely on their own kinship and friendship networks. As one interviewee said explicitly:

WSH:“ This scheme or that scheme is for what? They want to take money out of our pocket. Who can we count on? The government? The urban people? They do not even trust themselves. We can only rely on ourselves. I do not trust any people in the city. There are nice people here in Tianjin. But they are not reliable.”

Awareness and understanding of the urban social insurance system

Not all rural to urban migrants have heard of the three social insurances. As shown in Table 5, 50 people (71%) had heard of pension insurance and about one-third of the interviewees had heard of the unemployment scheme, but only four people (6%) had heard of health insurance. The reason that health insurance was much less known to many people is related to the fact that migrant workers were also entitled to social insurance against industrial accidents. This is an insurance to which all employers have to contribute. Some interviewees could not distinguish between health insurance and industrial injury insurance. When the confusion was corrected, the number of people who had actually heard of health insurance was very small.

The media including television, newspapers and internet, as well as friends and relatives were the most important source of information. Employers played a relatively smaller role, especially with regard to pension insurance (see Table 6).

To see how well they understood the system, I asked the interviewees who reported

that they heard about each social insurance scheme whether they knew the terms of contribution and the benefits to which they were entitled. The responses from the interviewees were quite consistent for all three types of social insurances. Only people who had participated were confident that they knew how these schemes worked (Table 7).

If we add the responses to all three types of insurance together to generate a larger size of responses and group them by the source of information, we can see that the media, friends and relatives, and colleagues are the three most important sources of information. However, the government and the employer are clearly better at helping people to understand the schemes (Table 7).

Given that all the people who claimed that they understood the schemes were actually those who participated in the system, it is not difficult to see that migrant workers indeed tried to understand the system before they joined. Conversations with the interviewees confirmed this was in fact the case.

MXG: "Of course I know how it (unemployment insurance) works. The boss could not force me to contribute to it. No one could. My fellow villagers talked about it. I asked about the details. I thought maybe it is useful in the future, so I joined. We do not have much money. I wouldn't contribute if I was not reassured by my friends."

HYQ: "Our village established a pension scheme. The village cadres explained to all villagers about everything. So we all have pensions already."

The research suggests that although the media has played an important role in spreading the news about social insurance, it does not provide sufficient information for migrant workers to make decisions. More personalised ways of spreading information, such as through friends and relatives, colleagues and employers have a direct influence on the willingness of migrant workers to participate. The results indicate that local authorities could be more effective in increasing awareness if the schemes were organised back in the migrants' home villages.

WKY: "I spent all the time working. No holiday and no weekends. I only watch a bit of TV at night. They talked about these social insurances in the news. But it is often very short. I know these names, but not the details.....But even if they (TV programs) talk more about these things, I get bored and switch to different channels. We are too tired to watch such heavy programs."

WF: "I have seen all these names. I read them in the newspapers. I can't really understand these. How can they expect us to pay money on things we do not even know? I even do not want to spend money on newspapers. I only read the front page by standing in front of the newsstand. These insurances were written with big headlines sometimes."

What is more, even if migrants invest in learning about these social insurance schemes, the information may have a limited lifespan. Migrant workers tend to move between different cities. If the localised design of such schemes means that they have to study the policies in each city each time they travel, their understanding of the system will be hindered. What makes things worse is that the policies had been changing overtime and some migrants had lost track of what is happening.

FS: "I am not interested in these social insurances anymore. Our boss deducted some money from our salaries for some sort of social insurance schemes and told that we could get our money back if we wanted to withdraw. This was when I worked in the south. I later withdrew as I heard that Tianjin had opportunities. When I first came here, I heard that we were not allowed to contribute because we did not work for more than one year. Now I am no longer interested in this. Who knows where I will be in eight or ten years time."

Direct answers to the question: "Why do you not want to participate in the social insurance scheme?"

I also asked the migrants a direct question about why they did not want to participate in a certain social insurance scheme. The answers can be broadly categorised into six categories of response. The answers were recoded: 1) affordability (including 'I cannot afford it', 'too expensive' and 'I do not have any extra money'); 2) policy design (including 'it is useless', 'it is not worthwhile' and 'it is not for me'); 3) understanding: a. awareness ('I have never heard of it'); b. do not understand the details ('I don't understand what it is about', general confusion between different social insurance schemes); c. lack of understanding of recent changes ('migrants cannot participate', 'I do not have an urban hukou'); 4) influence of other people—('I have not seen other people who have participated'); 5) concern about wage arrears ('we could not even get our salaries on time'); 6) lack of organisation ('no one tried to organise us to participate'). The results are presented in Table 8, 9 and 10.

As expected, frequently answers to these questions centred on affordability. This was particularly the case with pension and healthcare insurance. People were most reluctant to spend extra money on pension and healthcare insurance. This could reflect the existence of alternative methods of protection. For example, relying on children in the future is a good substitute for pension insurance. Regarding healthcare, compulsory protection against industrial accidents was considered (to a large extent misunderstood) to be a substitute for health insurance.

Three categories of answers were directly related to migrant workers' awareness and understanding of the social insurance schemes. They are "haven't heard of", "don't understand" and "did not know that I could join", as shown in the highlighted cells of the tables. If answers to these questions are added together, information shortage can be seen to be as important as affordability in deterring people from joining social insurance schemes.

Conclusion

This chapter has examined the role of insufficient information in explaining migrant workers' participation in social insurance schemes. I used in-depth interview data collected from Tianjin at the end of 2006 to examine migrant participation in social insurance. The workers were from the construction and service sectors.

The research findings suggest that poor awareness and understanding of social insurance schemes has been a major barrier to migrants being able to properly decide whether to participate. Clearly, we cannot tell whether when people have a better understanding of the system in the future, the participation rate will be improved. It is very likely the case that they may still find the social insurance schemes not sufficiently worthwhile to participate, but at least policy makers and researchers may know that the problems lie in the design of the policies and not users' ignorance.

This research shows that in the existing system, lack of awareness and understanding has been particularly problematic in enabling informed decisions. As shown in the research findings, the media has played the most important role in spreading basic concepts regarding social insurance. However, its ability to pass more detailed information on to migrant workers was very limited. Social networks, including friends, relatives and colleagues, have also been important in informing migrants. However, they may not necessarily spread positive information, especially when non-participation is the norm. What is more, fellow villagers and colleagues are not professionals. They can spread misleading information, largely based on their earlier experiences, but neglecting the on-going changes. So far, the most effective influence comes from employers and the local authorities. Of course, this is only the case when employers and the local authorities are willing to make an effort and adopt a more personalised approach. The research also suggests that migrant workers actually welcome some people to take a guiding role in providing them with the necessary information so that they can decide whether to participate.

The study of information in facilitating awareness and understanding can be useful for shaping future research and facilitating policy changes. First, the impact of other factors on non-participation can be more accurately examined. Earlier studies examined migrant workers' participation and willingness to participate in social insurance in relation to various social demographic, life cycle, employment and institutional factors, but did not control for information variables, including sources of information, awareness and understanding of social insurance schemes. These earlier research designs are not able to reveal important elements in the picture. For example, the researchers could not distinguish resistance to social insurance schemes from migrants themselves and resistance from employers.

Second, for policy makers, instead of changing the policy design based on low participation rates, some extra effort can be made to better communicate the policies

to migrant workers. Although awareness and understanding may not increase participation, at least enhanced awareness and understanding can properly reveal the true problems in policy design and institutional arrangements. Claiming that policies do not suit migrant workers' needs without the majority of workers understanding what is available to them cannot really justify policy changes. Frequent policy changes may not increase awareness and understanding, but result in high administrative costs, which only generate disincentives for employers to get involved (Nielsen et al, 2005).

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Table 1 Characteristics of the interviewees

	Freq.	Percent	Cum.
Sex			
Female	7	10.00	10.00
Male	63	90.00	100.00
Marital status			
No	23	32.86	32.86
Yes	47	67.14	100.00
Children			
No	25	35.71	35.71
Yes	45	64.29	100.00
Years in Tianjin			
<=1	31	44.29	44.29
1-5	20	28.57	72.86
5-10	13	18.57	91.43
>10	6	8.57	100.00
Family in Tianjin			
No	47	67.14	67.14
Yes	23	32.86	100.00
Sector			
Service	42	60.00	60.00
Construction	28	40.00	100.00
Unemployed in Tianjin			
No	55	78.57	78.57
Yes	15	21.43	100.00
Became ill in Tianjin			
No	34	48.57	48.57
Yes	36	51.43	100.00
Usage of hospital services			
No	57	81.43	81.43
Yes	13	18.57	100.00

Table 2 How long have you been in Tianjin?--By sector unit: year(s)

		Years in Tianjin				
		1	2	3	4	Total
Service		10	17	9	6	42
		23.8	40.5	21.4	14.3	100
Construction		21	3	4	0	28
		75	10.7	14.3	0	100
Total		31	20	13	6	70
		44.3	28.6	18.6	8.6	100

Pearson chi2(3) = 19.6107 Pr = 0.000

Table 3 How do you survive when you lose your job?

	No	Yes	Total
Savings	1	13	14
	(7.1)	(92.9)	100
Borrow money	1	0	1
	(100.0)	(0.0)	(100.0)
Go back home	18	2	20
	(90.0)	(10.0)	(100.0)
Get money from family	1	0	1
	(100.0)	0	100
Don't know what to do	30	0	30
	(100.0)	0	(100.0)
Never lost my job	4	0	4
	(100.0)	(0.0)	(100.0)
Total	55	15	70
	(78.6)	(21.4)	(100.0)

Pearson chi2(5)=53.7939 Pr=0.000

Table 4 How will you survive after you retire? –by age group

	<=20	20-30	30-40	40-50	>50	Total
Will depend on children	0	5	6	15	3	29
	(0.0)	(17.2)	(20.7)	(51.7)	(10.3)	100
Will go back home	1	3	1	6	1	12
	(8.3)	(25.0)	(8.3)	(50.0)	(8.3)	100
Haven't thought about	5	16	5	1	0	27
	(18.5)	(59.3)	(18.5)	(3.7)	(0.0)	100
Have pension already	0	1	0	1	0	2
	(0.0)	(50.0)	(0.0)	(50.0)	(0.0)	100
Total	6	25	12	23	4	70
	(8.6)	(35.7)	(17.1)	(32.9)	(5.7)	100

Pearson chi2(12) = 28.6328 Pr = 0.004

Table 5 Have you heard of the following social insurances?

Type of Social Insurance	No		Yes	
	Freq.	%	Freq.	%
Unemployment	47	67.1	23	32.9
Health	66	94.3	4	5.7
Pension	20	28.6	50	71.4

Table 6 Where did you hear about the following social insurances?

	Unemployment		Health		Pension	
	Freq.	Percent	Freq.	Percent	Freq.	Percent
Government	1	1.4	1	1.4	5	7.1
Friends and relatives	13	18.6	8	11.4	9	12.9
Employer	5	7.1	4	5.7	1	1.4
Media	8	11.4	28	40.0	26	37.1
Colleagues	3	4.3	5	7.1	8	11.4
<i>Subtotal</i>	<i>30</i>	<i>42.9</i>	<i>46</i>	<i>65.7</i>	<i>49</i>	<i>70.0</i>
<i>Never heard of</i>						
	40	57.1	24	34.3	21	30.0
Total	70	100.0	70	100.0	70	100.0

Table 7 Source of information and understanding of social insurance schemes

	No		Yes		Total	
	Count	Percent	Count	Percent	Count	Percent
Government	6	86	1	14	7	5.6
Friends and relatives	27	90	3	10	30	24.0
Employer	8	80	2	20	10	8.0
Media	61	98	1	2	62	49.6
Colleagues	15	94	1	6	16	12.8
Total	117	94	8	6	125	100

Table 8 Why do you not want to participate in unemployment social insurance?

	Freq.	Percent
Salary not guaranteed yet	2	3
Participated already	2	3
Don't understand	4	6
No one organised	4	6
Can't afford	6	9
Didn't know I could join	6	9
Useless	8	11
Haven't heard of	38	54
Total	70	100

Table 9 Why do you not want to participate in health social insurance?

	Freq.	Percent
No one organises	2	3
Participated already	3	4
Never thought of	4	6
Useless	5	7
Didn't know I could join	5	7
Do not understand	9	13
Haven't heard of	21	30
Can't afford	21	30
Total	70	100

Table 10 Why do you not want to participate in pension insurance?

	Freq.	Percent
Other people did not join	1	1
Salary not guaranteed yet	1	1
No one organised	2	3
Don't understand	3	4
Useless	4	5
I have already participated	4	5
Haven't thought of	6	8
Didn't know I could join	7	9
Haven't heard of	18	24
Can't afford	28	38
Total	70	100

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