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Plights and Countermeasures for the Development of Rural Labor Broker

—Based on the Investigation of Rural Labor Brokers in Chongqing Municipality

HU Tong-ze, LI Na*, LI Jing

College of Trade and Administration, Chongqing University, Chongqing 400044, China

Abstract Based on the investigation into the rural labor brokers in Chongqing Municipality, the developmental momentum of rural labor brokers in Chongqing Municipality is introduced. The valid questionnaires show that the main factors which limit the development of rural labor brokers in Chongqing Municipality are the scant effective information, low quality, insufficient education and training, absent of specialized policies and regulations, low degree of organization, and low social recognition. The requirements for the healthy development of rural labor brokers are concluded, which include healthy policies and regulations, healthy social culture and the external support from the government. Besides, the rural labor brokers should have high competence, high professional ethnics, strong awareness of law and relatively high educational level. At last, the targeted countermeasures are put forward, which cover strengthening the construction of rural infrastructure; perfecting the information platform; enhancing training efforts and improving the competence of labor brokers; establishing and consolidating laws and regulations, and fostering well legal atmosphere; paying attention to the construction of organization and trying to famous the famous brands of rural labors; intensifying the promotion and creating favorable cultural environment. These countermeasures aim at enhancing the capability of attracting rural surplus labors, accelerating the structure of income distribution and coordinating the urban and rural development.

Key words Rural labor broker, Developmental plights, Countermeasures, China

Due to the factors of labor, material and financial power, the employment information can not be timely and effectively used by rural labors. The blindness, arbitrariness and low efficiency of migrant labors are hard to make them steadfast. Rural labor broker is the rural residence, legal person or other organization, which serves as an intermediary agent for the supply and demand of rural labors and provides information and charges fees for the information supplied. The development of rural labor brokers can effectively lift the capacity of industrial sections in attracting rural surplus labor forces and expanding the channels for employment. According to the updated statistics from the State Administration for Industry & Commerce of the People's Republic of China, the aggregate households of rural labor broker has surpassed 380 000, the personnel involved in rural labor broker has come to over 600 000 and the total business volume of rural labor broker has achieved 70.7 billion yuan. Based on the investigation into the rural labor broker of Chongqing Municipality, we analyzed the plights and causes of the development of rural labor broker in Chongqing Municipality, and then the requirements for the healthy development of rural labor brokers are concluded and the relevant countermeasures are put forward.

1 The status quo of the development of rural labor broker in Chongqing Municipality

In recent years, the number of rural brokers has increased

sharply. By the end of June, 2009, the registered number of rural brokers in Chongqing Municipality has achieved 34 945 households, with 3247 newly added households and the growth rate of 10%. The rural business volume is 7.9 billion yuan, 0.21 billion more than that in 2008 and with the growth rate of 3%. The personnel involved in rural broker is 64 201 and 1 098 more than that in 2008 with the growth rate of 2%^[1], however, the proportion taken by rural labor brokers to the rural brokers is relatively small (Fig. 1). Recently, Chongqing Municipality gives priority to the development of labor economy, which has greatly pushed forward the development of labor economy throughout the city. By the end of 2008, the aggregate number of migrant workers has achieved 7.063 million, the labor income has come to 28.31 billion yuan and the income per capita of farmers has realized 1 210 yuan, the figure accounts for 42% of the per capita net income of farmers in Chongqing Municipality at the very year^[2]. In the first half of 2009, the newly added people in intermediary have come to 72 000, which played a positive role in solving the current employment problems.

2 Investigation into the restraining factors of rural labor broker in Chongqing Municipality

In the questionnaires, 21.9% of samples choose the "lack of effective information" as the main barriers for the development of rural labor broker; 20.2% of the samples prefer to "low quality"; 51.8% of the samples choose "low income"; 28.10% of the samples believe that the "imperfect laws and regulations" are the barrier for the development of rural labor broker and 10.50% of the samples choose the "relatively low

social recognition" as the barrier for the development of rural labor broker (Fig. 2). In the flowing part, the factors which restrain the development of rural labor broker are analyzed.

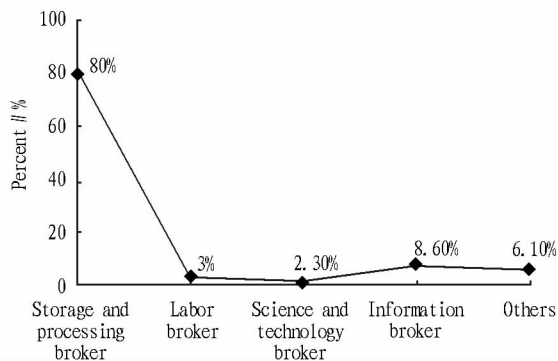


Fig. 1 Rural broker types in Chongqing

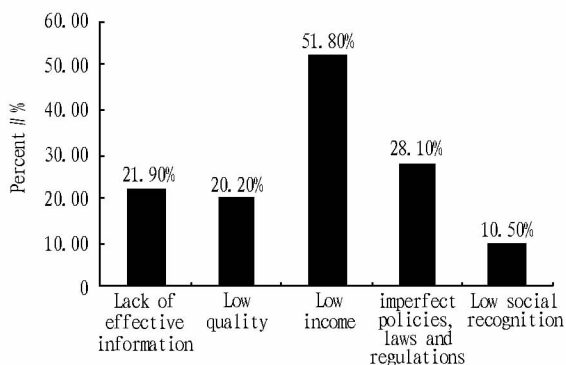


Fig. 2 Major obstacles in carrying out broker activities

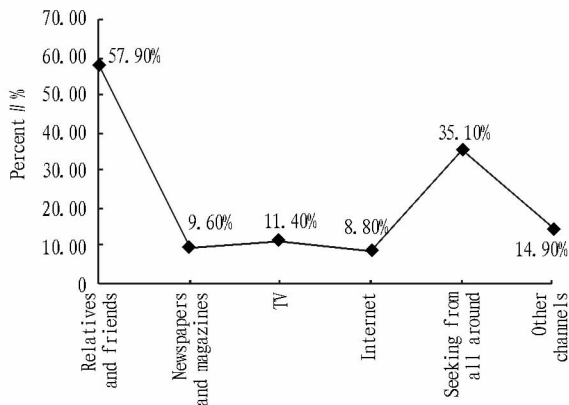


Fig. 3 Information source of the supply and demand sides

2.1 The lack of effective information In the questionnaire, when being asked "where do they get the supply and demand information", 57.90% of the samples choose from the relatives and friends; 9.60% of them choose from the newspapers and magazines; 11.40% of them choose from the promotion on TV; 35.10% of them choose from asking people around and only 8.8% of them choose from the internet (Fig. 3). The above figures show rural labor broker's way of getting information is traditional and outdated, and its transaction is limited in fixed market (the local market mainly), which limits the marketization of local labor force and has bad effects on the expansion of labor to a certain degree.

The gap between the rural and urban development and the gap between areas can account for it. In eastern coastal areas, the economy is highly developed and there are great demands for the labors. However, rural labor broker is insensitive to information and he does not have the capability to select the information, which leads to the structural conflicts of supply and demand in the fundamental but potential rural labor market. Many of the rural labor brokers are temporary brokers and they undertake the business in fixed time. Besides, the ill-informed situation limited the further expansion of business of many rural labor brokers and they can only undertake the small-scale and simple transaction. The unitary and outdated way of obtaining information is mainly caused by the backward network of rural information. In many rural areas, the first level registration system has not been established and the supply of labors in the local cities and towns has not been published regularly. The governments, labor services agencies and labors lack the understanding on the supply and demand of labors in and out the area. In addition, the handling method for processing the sources is instable and the standard information exchange platform has not been formed. The asymmetry of information has become a vital choke point for the development of rural economy.

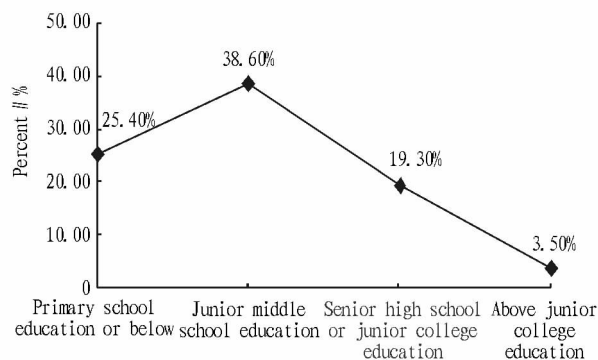


Fig. 4 Educational degree of rural labor broker in Chongqing

2.2 Low quality and insufficient education and training At present, rural labor brokers are mainly farmers with scant knowledge of law and low professional competence. With the natural shortage, low quality and absent formal education and training, rural labor brokers can not protect their rights and the farmers' rights effectively. According to the survey, 21% of rural labor brokers have only accepted the primary school education or even below; 38.60% of them have finished junior high school education; 29.50% of them have accepted the high school education or technical secondary education and only 6.50% of them have accepted the education that above junior college education (Fig. 4). The low quality leads to the weak power for shoring up labor economy and becomes the main factors in affecting the expansion of rural labor brokers. When being asked "have you ever accepted the education or training on rural labor brokers", 85.1% of brokers choose "never". Only 11.4% of them have accepted such kinds of education (Fig. 5). As a re-

sult of the limited participants in the training, the personnel who undertake the rural labor broker with professional license are not so optimistic. However, only 32.46% of the rural labor brokers want to be trained, which fully suggest that the brokers do not have strong desire to be trained. The insufficient education and training is the main reason that causes the low quality of rural labor broker.

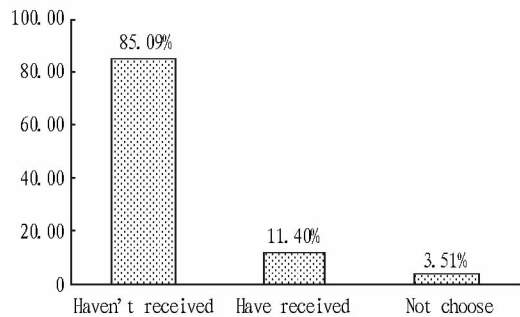


Fig. 5 Training status of rural labor broker

2.3 The lack of special laws and regulations Until now, there are still no perfect legal systems for rural labor brokers and the lawmaking is still a neglected aspect. When being asked "which kind of service is expected to be provided by the government", 43.86% of the samples expect to get preferential policies from the governments (Fig. 6). At present, there are altogether 125 laws and regulations concerning rural labor brokers and most of them are local laws and regulations without high Legal effect. Laws concerning the rural labor broker include the *Procedures for the Brokers*, *The Labor Law of the People's Republic of China*, *Administration of the Talent Market* and so on. It can be seen that many of the laws are policy-based regulations and the general ranking of the related laws is relatively low. Besides, the laws and regulations on the rural labor brokers under the background of rural areas are absent obviously. However, without the sound legal status, the functions of rural labor brokers in transferring the rural surplus labor forces will be weakened and the disorder of market, abuse of resources and the plights of management will be bought. The guilds also play a vital role in the development of rural labor economy, which can stimulate the self-discipline. But the lawmaking on guilds is also relatively weak in China, for there are no such laws. The unclear supervision departments of rural labor brokers and unhealthy supervision method badly require the industries to launch related laws and regulations.

2.4 The low degree of organization In market-based economy, the shift of surplus rural labor forces must meet the requirements of the market law. The current low degree of organization of rural labor brokers is one of the main causes that limit its development. The surveys suggest that the degree of organization of rural labor brokers are low in Chongqing Municipality, the overwhelming majority of them are individual brokers. When being asked "which kinds of broker do you take", 83.33% of the rural labor brokers choose "individual"; 15.79% of them choose "cooperate with others" and only 0.88% of them choose "participate to the organization" (Fig. 7). Individu-

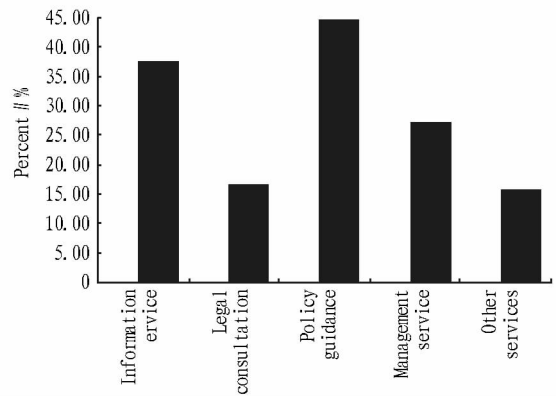


Fig. 6 Services the rural broker wants to obtain

al operation must lead to the natural developmental state of most rural labor brokers. Furthermore, individual operation pushes the rural labor brokers to an inferior position in terms of scale, business volume and risk sharing. In addition, it is hard for the rural labor broker to handle the supply and demand and the development momentum of labor markets. The low degree of organization is closely related to the imperfect system of rural labor broker. Rural labor brokers have not fully understood the system of registration. The surveys show that only 9.6% of these rural labor brokers have the credentials and at the same time 86.8% of rural labor brokers have not been registered.

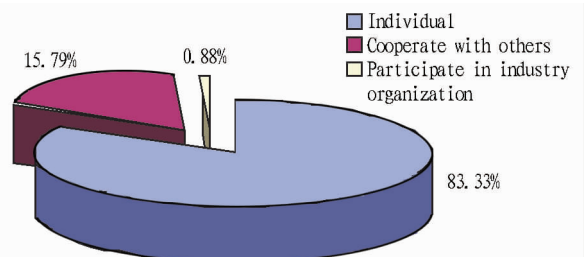


Fig. 7 Organization form of rural broker

2.5 Low social recognition It can be seen from Fig. 2 that, 10.50% of the samples choose the "low social recognition" as one of the main reasons for restricting the activities of rural labor brokers. At present, the public and the media mainly focus on the development of labor economy, yet the recognition on the social status and functions of rural labor brokers are insufficient and some outdated ideas about rural labor brokers still exist. For example, people often use the vocabularies with negative meaning to refer to rural labor brokers. The low social recognition has bad effect on the development of the industry and gravely impedes the expansion of labor intermediary and rural labor brokers. For example, the famous rural labor broker-SUN Hui-ju, has ever been charged a fine of 10 000 yuan for been mistaken as "human trafficking". Basically, the seasonal and temporary labor brokers do not have the credentials. They are isolated from the supervision of administration bureau for industry and commerce and the labor service department, so they can enter the market directly without the approval, which has bad influence on the image of labor brokers.

3 The requirements for the healthy development of rural labor brokers

3.1 Environment requirements

3.1.1 Healthy laws and regulations. The rural labor brokers mainly rely on the governments. They are greatly interfered by the government and lack the independence, so they need healthy laws and regulations to protect their legal position. The features of labor brokers require the relevant departments to provide the tax and financial support so as to widen the service coverage and industrial fields. The laws should encourage the rural labor brokers to establish the fixed organization and legitimate the legal position of broker partnership, brokerage firm and even the brokerage organizations^[3].

3.1.2 Healthy social culture. Social cultural environment mainly refers to the opinions and recognition of the traditional ideas in the society to rural labor broker and the training environment for rural labor brokers. The healthy cultural environment is helpful for the rural labor brokers to shift the surplus rural labors, the deepening of market concept, the development of rural economy and the income increase of farmers.

3.1.3 Strong governmental support. The relevant departments should intensify the supervision on unreasonable monopoly activities, perfect the construction of network and foster the united information communication channel to smooth the labor information. The functions of government shift from organizing the migration of rural labors to the management of rural labor brokers, examination of the employment bases and the rights protection for the migrant workers, which break through the traditional mode. The change is helpful to shifting of government's role; to fully motivating the activeness of rural labor brokers and to suiting the changes of labor market and employment situation.

3.2 Quality requirements As the intermediary for connecting farmers and labor force market, rural labor brokers must possess certain professional knowledge concerning marketing and law. They are required to know how to operate, to manage and to exploit market.

3.2.1 Relatively strong brokerage capabilities. The rural labor brokers must have certain analytical and predictive power, labor delegation capability, information-identifying capability and social competence, and they should guarantee the organization degree of labor market, if they want to fully display their functions in transferring rural labor forces^[4].

3.2.2 Relatively high professional ethnics The relatively high professional ethnics of rural labor brokers can effectively maintain the orderly competition of labor market and promote the transference of surplus labor forces.

3.2.3 Relatively strong consciousness of law. The relatively strong law consciousness of rural labor brokers can prevent the cheating, damage and hurt of farmers and reasonably protect the legal rights of farmers.

3.2.4 Relatively high cultural quality. Cultural quality directly affects the brokerage scale and the management measures of rural labor brokers. The high cultural quality is helpful to improving their adaptability to the markets.

4 Countermeasures and suggestions

4.1 Reinforcing the construction of infrastructure and perfecting the information platform With the expansion of rural labor broker, the connections and communication among the rural labor brokers, markets and farmers should be intensified. The rural infrastructure should be reinforced, so as to apply the modern information networks to improve the collection, analyzing, selecting and transmitting of labor information, and establish the labor information base focused on the rural labor forces, labor base, training base and so on to construct the special cooperation platform for rural labor brokers^[5]. The governments and relevant departments from different levels should set up the column for labors; the column for establishing the laws and regulations of rural labor brokers; provide supply and demand information of labors and share the typical experiences, *etc.* On the network to ensure the smooth of labor channel. The social labor security department, labor office, employment agency and some other labor service organizations should cooperate and well collect, sort out, store, communicate, transmit and consult the information to foster the functional complete and resources sharing labor information system. The network project for the rural labor brokers should be perfected and the access to internet of villages should be sped up, so as to promote the modernization of information method of rural labor brokers. The information platform and information communication channels for the rural labor brokers should be further standardized, so as to ensure the stability of information sources and the specialization of information processing.

4.2 Strengthening the training and improving the brokerage capability Developing rural labor broker has played an eminent role in new village construction and coordinated development of rural and urban development, so the training on rural labor brokers should be included in the political performance appraisal system, so as to reinforce the training and improve the brokerage capability of the rural labor brokers and guarantee the transference of rural labor forces. In the first place, the business knowledge, cultural knowledge, laws and regulations (economic law, contract law, procedures on brokers, labor code and relevant laws and regulations stipulated by the talents market) and labor security and so on should be integrated well and form the multi-level and multi-directional training contents, so as to improve the competence of rural labor brokers. The training should ensure the rural labor brokers know how to sign contract and how to protect themselves by using legal method. In the second place, the practical and feasible plan should be stipulated. The skills of the rural labor brokers should be attached importance to, which includes the adaptability to market, social competence, business competence and so on, so as to improve their professional quality. The method "the associations are responsible for rural labor brokers and the rural labor broker are responsible for migrant workers" should be applied. By using the TV and radio station of the village, the government should organize a series of training projects which are related to the local labor brands^[6]. In the third place, the government should stipulate a series of "talents introducing" policies,

