

The methods and effecting of *Bounty Plan*

----case study on the labor migration in the poverty areas in China

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1. The background of *Bounty Plan*

1.1 Since the reform and opening, with the rapid economic development, the improving productivity level in rural areas; faster industrialization and urbanization, a lot of rural labors enter into non agricultural field for employment. And this kind of labor flow has become important channel for promoting the coordinated development between rural areas and urban areas. But, these years, the supply and demand condition of labor has changed a lot. One hand, there is large demand in east areas with developed manufacturing industry and the enterprise cannot employ enough staff. In other hand, the labors with low education level and no training of capacity that live in the middle or west areas can not find jobs.

1.2 *China Rural Poverty Reduction and Development Program (2001-2010)* proposed that to improve the comprehensive quality of the mass especial sci-tech quality is an important measure to increase the economic income of poverty population and a basic approach to enrich the poverty population. All the government staff should take the quality training of farmers' sci-tech as the important work for the poverty alleviation and development and enlarge labor export. It is also necessary to strengthen the professional skills training of the labors living the poverty areas and guide the labors flow healthily and orderly.

1.3 According to the statistical analysis, there still 13 million surplus labors in the poverty areas in China. Besides, there are about 2.5 million labors generated every year. It becomes urgent and important issue for poverty alleviation and development.

1.4. In 2003, seven ministries including Ministry of Agriculture and Ministry of Finance issued *national peasant's engineering of training* in 2003—2010 together.(the Sunshine Program in national rural labor emigration) Since 2006, the state council leading group office of poverty alleviation and development calls all the skill training of poverty households as *Bounty Plan* at its call.

2. The theme; subjects and goals of *Bounty Plan*

2.1 The theme

The theme is to improve the quality; to enhance employment and capability of entrepreneurship under this rule: guided by the government and participated by the society. The approach can be composite of professional; education entrepreneurship training and the practical skills training in order to promote emigration employment and help the young adults' farmers to solve the practical embarrassment. Ultimately, the economic development in poverty areas can develop well and the income of poverty population can increase quickly.

2.2 Subjects

There are three types of them: the young adults(16-45 age) with archives and card in the work of poverty alleviation; the veterans in the poverty households including technical sergeant; the village cadres in the key villages of poverty alleviation as well as the able persons

2.3 Goals

In the period of the *Eleventh-Five-Year Plan (2006-2016)*, the goal is to help about 5 million young adults farmers and 0.2 million veterans in the poverty areas to realize the employment successfully. 15 thousand village cadres and able persons can become the leading force of the construction of new socialist countryside. At least one person from poverty family can master 1 or 2 kinds of agricultural producing techniques with sci-tech content through agricultural practical techniques.

3. The main methods of *Bounty Plan*

3.1 Felting out the base number and establishing the program

Since 2004, all levels of poverty reduction department has carried out the work of constructing archives and labor resource survey. They has felted out the conditions of labors in poverty population. Based on the survey, the plan for labor emigration training in the poverty areas (2010) has been established, which proposed that at least one labor from every poverty family accept the training.

3.2 Enhancing the demonstration and perfect the network

The state council leading group office of poverty alleviation and development has cognized 30 national training bases as the demonstration plot in order to promote the labor transfer in the poverty areas. Together with 2323 training bases cognized by local poverty reduction system, a training network over the poverty areas has formed.

	The bases of the state council leading group office of poverty alleviation and development	Provincial bases	County bases	total
Hebei	1	29	101	131
Shanxi	1	7	69	77
Inner Mongolia	1	24	238	263
Liaoning	1	18		19
Jilin	1	1	28	30
Heilongjiang	1	78		79
Jiangsu	2	0	1	3
Zhejiang	1	6	245	252
Anhui	1	35	108	144
Fujian	1			1

Jiangxi	1	26	44	71
Shandong	1	7		8
Henan	1	34	281	316
Hubei	1	10	69	80
Hunan	1	5	118	124
Guangdong	1	10		11
Guangxi	1	4	60	65
Hainan	1	1	18	20
Chongqing	1	33	38	72
Sichuan	2	81	140	223
Guizhou	1	5	59	65
Yunnan	1	84		85
Tibet	1			1
Shaanxi	1	43		44
Gansu	1	20	71	92
Qinghai	1	22		23
Ningxia	1	10	5	16
Xinjiang	1	7		8
Total	30	600	1693	2323

3.3 Increase input and reinforce the management

Government at all levels should increase input of labor emigration training in the

poverty areas. We require the fund used in the labor emigration training achieve more than 10% of the poverty alleviation fund from central government. In 2006, the fund used in the labor emigration training in poverty areas achieved nearly 1 billion. Other input approaches such as loan fund and social fund have been developed as well as the financial input.

The training mode: *loan for training and get-rich through employment*

The existed subsidy for all the cost of poverty labors' training is not enough because of the limited financial subsidy. In order to solve this problem, Yichang city in Hubei province as well as Chengde city in Hebei province has developed the training model: *loan for training and get-rich through employment*. The leading group office of poverty alleviation and development together with financial department and banks in Yichang city has established the measures on loan for labor emigration training for the purpose of offer more chances for the poverty labors. Since 2005, the financial departments at city level supply 800 thousand Yuan as the guarantee funds for the loan of labor training. And then the training schools extend loan to 200 poverty trainees and the loan period last two years with interest subsidy offered by the leading group office of poverty alleviation and development. After the contract between trainees and school, the school will call in the loan from trainees' wages. The lost of this loan with a recovery below 93% will be afforded by the training school. The lost of this loan with a recovery lager than 93% will be afforded by the guarantee funds. Besides, for the purpose of increasing the recovery, the training school will get bounty from government and bank when the recovery is lager than 95%.

The concrete methods of training loan has solved three problems existed in the loan

for labor emigration training. The first one is the problem that poverty cannot afford the cost of training. The second one is that the training school can not find student source. And the third one is that the poverty reduction loan with subsidy interest cannot find relevant project and cannot call in. This kind of training model is welcomed by school; banks and poverty households deeply. It obtained high evaluation from the primary level cadre and mass. To some extent, the formation and extension of this kind of training model promoted the innovation of poverty reduction training system and the innovation of poverty reduction project management regulations. But it needs to be deepened; perfected and developed in the practical course although it has extension and demonstration functions now.

3.4 Set up strict system and regulate management

We should establish strict system and regulate management all through the whole course of enrolment; training; employment; fund management and subsidy.

The labor emigration training includes five procedures: enrolment; training; employment; subsequent management and fund appropriation. There are a lot of participators in this course including trainees; poverty reduction department at all levels; township government; training organizations and the enterprises. The trainee take part in the training according to the enrolment requirement and then the training organizations arrange the employment of them. The poverty reduction department take responsibility of the establishment of training plan; enrolment; fund appropriation and monitoring training organization. The training organizations are in charge of training; employment of trainees and the subsequent management.

The enterprises employ the trainees through training organizations.

Determine the training subjects

We should insist on the poverty targeting mechanism. The poverty reduction departments at all levels together with basic governments are mainly responsible for enrollment. The poverty reduction departments at city and county level take responsibility of concrete training work. Usually, the poverty reduction department at city level will make plan for training and enrollment and Poverty Alleviation and Development Office in county will propagandize according to the index and general regulations of enrollment. The index and general regulations of enrollment will be made known to lower levels such as Township government and villagers' committee through advertisement on TV; post and telephone and so on. Besides, the work of signing up, interview and entering school for enrollment is also a part of Poverty Alleviation and Development Office's work. In some places, Township government and villagers' committee also take part in enrolment to supply the relevant evident document such as poverty proof and so on.

Choose the training organization.

We should insist on multiplex choice mechanism. The training organization should be identified. The basic rules are as follows: (1) The organization should own a excellent leading group, which is the basic assurance for the transfer training.(2) The organization should own independent corporative qualifications and the quality of

training. (3) The organization should own its own place and teaching facilities and teacher quality. (4) The organization should own stable capability and channel for job introduction. (5) The organization should own perfect management mechanism for labors transfer. (6) The organization should own good social credit.

The poverty reduction departments actualize dynamic management to training organizations, crystallize responsibility and fulfill duty and time limit. They will cancel its quality if the training organization works badly or acts against relevant policy and regulation.

Determine the training contents.

We will insist on the labor demand-based mechanism. Most of the training organizations will design the training contents according to the actual demand of employment market and enterprises, and then actualize order trainings. House keeping; restaurant service; security; building service; garden landscaping; manufacture and electric assembly are important field of skill training at present. In the mean while, the law knowledge; behavior regulations and rights and interests ensuring and so on should also be part of the training contents. The training period will be determined according to the training content, which last from 3 to 6 months; not longer than 1 year.

Arrange the trainees' employment.

There are two channels for the poverty labors for jobs after training. The first one is via the introduction of the graduated students. The second one is to use Internet to get connection with relevant enterprises. The third one may need to get in touch with the intermediary agency and recruitment meeting to look for the employers. Besides, some enterprises will employ the trainees in the training organizations directly.

The rights and interests protection.

Usually, the subsequent management of poverty labors trained by the training organization is in the charge of training organizations. The subsequent management includes making sure they can find stable jobs for a while; protecting the legal rights and interests if the trainees are treated unfairly in employment and follow up with them and investigate the employment condition of trainees'.

Fund management and appropriation

The special funds arranged by central and provincial government is mainly subsidy for training of trainees according to relevant regulations of national poverty reduction fund management methods, and they cannot be used to build infrastructure and buy large teaching equipments. The standard of subsidy is dependent on the period of training. The training organizations can get the subsidy from finance department when they have make the employment destination of trainees including the enterprise; address; telephone and family connection mode known to the office of poverty

alleviation and development.

3.4 Integrate resource and form result and force

Taking the existed training organizations as main channel, we should use various resources abundantly to mobilize enthusiasm of training organizations'; the employers' and poverty labors'. As a result, all the stakeholders will carry out various training demanded in the transferring of labors in poverty areas through various channels and levels and patterns.

The training mode of school and enterprise's joint effort

Yinggema human resource company, built up in 2002 in Suzhou city, is a kind of an enterprise which supplies blue-collar workers and whole scheme for the foreign capital enterprises in China. During the development, they find that the enterprises in developed areas hope to employ abundant workers, but the labors from poverty areas nearly have no competitiveness. The labors from poverty areas without professional skill and high education have to do the jobs with low wages and bad environment condition. Under the support and guide of office of poverty alleviation and development in Hubei province and Yichang city, Yinggema Resource Company together with Qinghua professional training school launched Yinggema Education Group in 2004. More than 8000 persons can live in the base at the same time. The enrolment; training; employment; rights protection and subsequent management are

connected organically. The trainees contracted with companies, and then they were sent to the enterprises work after training in Qinghua professional training school. For the enterprise, this kind of model means that they only need to pay some management fee according to the contraction in order to get stable staff resource without recruitment; training and management and so on. And for the trainees, they can get more assurance for job and rights protection and labor protection. Yinggema has helped 3500 labors from poverty areas find stable jobs with average wage more than 1200 Yuan successfully in these years. The funds their hometown gets from the emigrated labor are more than 10 million Yuan every year. Thus, it has created good economic and social benefits and realized the goal: *one person get training, one family get rich*. The training mode of school and enterprise's joint effort has fulfilled the recruitment demand of enterprises' in the developed areas as well as transferred labors from poverty areas successfully. It gains authorization from governments; society; schools and trainees. The state council leading group office of poverty alleviation and development held experience exchange conference for labor emigration training in poverty areas to extend this kind of mode. Yu zhengsheng, the committeeman of the CCP Political Bureau; the provincial party committee secretary in Hubei province, pointed out for three times that the training mode of Yinggema and Qinghua should be extended.

In 2006, based on the successful cooperation with Hubei province, Yinggema together with the training center of Chongqing office of poverty alleviation and development

launched two Yinggema professional training schools. They recruited 2000 students from poverty family free of charge. After 6 months' training, the trainees were all sent to work in Suzhou and the rate of employment was 100%. As a result, Yinggema professional training school gained good evaluation from students and parents for its new teaching mode and martial management. It got award for advanced enterprise in national training system for the transfer of rural laborers cognized by central youth league and Ministry of agriculture and so on.

4. The effect of the *Bounty Plan*

More than 3 million poverty labors have accept training and 10 million poverty population have been led to get rich during the three-year implementation of *Bounty Plan*. The sampling survey indicate that the labors who accepted the skill training can get 300-400 more Yuan every month compared with the labors who did not accept the training. the monitoring of poverty statistics in 2004 indicate that the income from outgo part time job owns nearly 50% proportion in the increase of the average income per farmer.

4.1 Compared with other methods of poverty reduction, the output of the labor emigration training is more obvious. *The analysis on trend of financial poverty reduction fund* from Ministry of finance show us that the supported poverty population is 1.34 per 10 thousand Yuan poverty reduction fund averagely from 1998 to 2001. The labor emigration training project with 1000 Yuan training fee per person

can train 10 poverty labors per 10 thousand Yuan, which can leading 40 persons to get rich. So the effect of poverty reduction is 30 times of the former.

4.2 The poverty labors trained in the *Bounty Plan* got more stable and protective jobs compared with spontaneous employment via introduction of families or friends. From the angle of reducing rural and agricultural population, the labor emigration training is the real method of labors transfer not like other methods which are just export.

Nowadays, the main method of rural labor export is spontaneous via introduction of families or friends. The labors are exported by the organizations after the labor emigration training.

Yuhailong, a male villager living in Baimiao village Malu Township Yilong county Nanchong city in Sichuan province is 24 years old. Now, he is working in Fulideng Plastic & Electronic co.,LTD in Hangzhou city in Zhejiang province. He has worked in Guangzhou for three years before training in the Farmer Training Center in Quzhou city in Zhejiang province in 11th May, 2005. When working in Guangzhou, the job is not so stable and some enterprises only operate for several months every year. And he must suffer wage arrears and bullying. So it is hard to find a new job. The wage he most got is only 1500 Yuan per month. After the electric & information training, though he can only get 600 Yuan per month at the beginning but he feels well. He need not worry about the wage arrears and bullying. He hopes that he can master a kind of skill and stay in this enterprise for a long time in the future.

The alike survey show us that there existed several advantages as follows: (1) The

employment is strongly normal through training organizations. Compared with spontaneous outgo part time jobs, the enterprises is more canonical; the working circumstance is more comfortable; the job is more stable and the wage and welfare can be protected well especially when the employment dispute happening. The training organization will take responsibility of coordination and solution. (2) Nearly all of the skills can be trained in the training organization though the training time is limited. Military training; guidance training and skill training are three main aspects of training. Compared with the labors without training, the trained labors have changed a lot not only concept but also skills. (3) The trainees can get the ABC of knowledge some skills which is helpful for their advanced study and realize their long stay in the enterprise. Thus, the labors can realize the real labor emigration from rural areas to urban areas.

4.3 The emigrated labors get more and more income as well as widen eyereach and renovate the concept. In the mean time, they accumulated fund and experience and then they got back to their own hometown for entrepreneurship. Thus, they made return to their hometown and they became the leaders of get-rich working and the backbones of new rural construction.

5. Conclusion

The practical experience shows us that the labor emigration training has become the main and the most direct method to increase the income of the farmers in poverty areas. The quality of farmers has improved through training and the surplus labor

forces enter into the secondary and tertiary industry. Thus, the channels of income-increase become more various and the labor source has been arranged effectively, which helps the economy social of the poverty areas developed faster. The more important thing is that it can supply more able persons for the new rural construction in poverty areas. Labor emigration training is still an important strategy method for the well-off society construction and harmonious society construction. We will enhance this work; keep innovating and perfect the input and mechanism of management to make it work more effectively.

The successful case with various features

In these years, local governments has been exploring in the *Bounty Plan*. Lots of effective training models and management methods have been summarized out, which is helpful for the working efficiency.

The *Bounty Plan* was firstly implemented by Hubei province. An obvious feature of the *Bounty Plan* in Hubei province is that the training network is constructed as a group; the base developed in larger scale and the training model is advanced and innovated continuously in the practical working.

The model of Hunan province is called *the support from government plus working and learning alternation*. The trainees benefit from the training chance for education and employment through the cooperation of school and enterprise; working and

learning alternation mode.

In Guizhou, the *Bounty Plan* is carried out smoothly with three contracts: the contract between poverty reduction department and training base; the contract between training base and trainees and the contract between training base and the enterprises. Thus, the regulated management; clear relationship and clear responsibilities can be guaranteed. The legal rights and interests of all stakeholders is also can be maintained well.

The band strategy is implemented in Heilongjiang province. The labor brands with great influence and strong competitiveness are fostered through a way that looking for advantage; looking for feature; building up brand base; fostering brand major; introducing brand qualified teachers and brand textbooks. The labor service brands such as Yian housemaid; Hegang Security; Qishi taxi driver; and Dumeng dumpling sister-in-law are famous all around.

The short-term trainings as well as mid-long term trainings are carried out in Chongqing city in order to realize the labor flow from rural areas to urban areas. Thus, the labor export has changed from physical power to technique power successfully.