

**CHINA'S MANAGEMENT OF
THE OUTMIGRATION OF
LOW-SKILLED LABOUR**

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Executive Summary

1. Low-skilled labour outmigration from China stands in sharp contrast to the migration of the highly skilled, which is individually based, lightly regulated and growing rapidly. In comparison, low-skilled outmigration is subject to complicated regulation, mediated by various brokers and declining since 2015 after years of stagnation.
2. The process of low-skilled labour outmigration is complex. Workers often have to go through multiple intermediary agents who form “agent chains” in order to access jobs overseas. Each agent demands a fee, which increases the total cost and the uncertainties for the migrant.
3. The migration process is complex because the Chinese government actively pursues double goals. While it promotes overseas employment as a means of poverty alleviation and social development, it also strives to control the entire process of outmigration.
4. The Chinese government imposes strict regulations on agents through licensing. Companies which recruit workers may not be able to meet the requirements for licensing and hence have to rely on the licensed ones. Licensed companies “lend” their names to unlicensed subagents as a main source of profit.
5. The Chinese government’s regulation of low-skilled labour migration has evolved in three stages since the end of the 1970s. First, the command chain between state agencies (e.g. Bureau of International Economic Liaison, or railway bureau), the main players in deploying workers overseas before the reform, had been commercialised.
6. Second, the state corporatised government agencies into supposedly self-managing state-owned companies in the mid-1980s, but conferred them different status in order to control the migration process through monitoring a few strategic players.

Companies of different status had different resources and chains were again formed.

7. Third, the government allowed private companies into the business of international labour placement in 2002, but tightened regulation over licensed companies. This reinforces instead of undermines the chain relations between licensed and unlicensed agents.
8. The consequence of such a combination of liberalisation and re-regulation is paradoxical. On the one hand, low-skilled labour outmigration from China has become more orderly and legal since the 1990s. Human smuggling largely disappeared and most illegal migrants from China today are those with overstayed visas or are engaged in paid work that their visas do not cover.
9. On the other hand, various irregular activities, such as agents demanding exorbitantly high fees or impose strict constraints that violate migrants' rights, remain rampant. Migrants are also pushed to illegal channels as tight regulations have narrowed down legal paths.