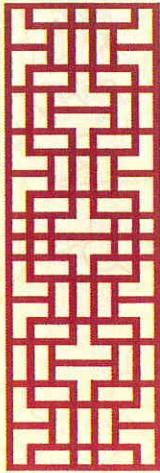




中国昆山  
Kunshan China



## Kunshan is Making Life Better for Migrants

## 昆山 让新市民的生活更美好

Kunshan Municipal People's Government

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**Applicant:**

**Kunshan Municipal People's Government**

**Project Title:**

**Kunshan is Making Life Better for Migrants**

**Project Summary:**

**I. Overview**

An emerging industrial and commercial center in the Yangtze River Delta Economic Zone, Kunshan is bordered by metropolitan Shanghai to the east and the historical and cultural city of Suzhou to the west. It covers an area of 927.7 square kilometers (about 358 square miles), and has a population of some 2.05 million. In addition to its rich natural resources, Kunshan boasts a history of over 2,000 years, and is known as the cradle of Kunqu Opera, which is recognized by UNESCO as one of the "Masterpieces of the Oral and Intangible Heritage of Humanity". Zhouzhuang, an ancient town now part of Kunshan, is also known as "China's Oldest Water Town".

Over the last 10 years or so, Kunshan has experienced rapid economic and social development and urban growth. As a result, the city has attracted a continuous influx of migrants, which has put considerable pressure on its local employment, housing, social security and education programs. Helping migrants find jobs and housing and improving their quality of life has become a top priority for the local government, and an important means of promoting the city's sustainable development.

Accordingly, in the Kunshan spirit of "openness, inclusion, innovation, and excellence", the local government has been stepping up efforts to achieve its goal of "providing everyone with a decent job and a comfortable home". Measures have been taken to ensure that migrants have equal access to public services and social benefits, including: expanding vocational training services to more new residents; improving their housing conditions and social security; helping them blend into the local culture; and safeguarding their rights and interests. Thanks to these efforts, migrants are living side-by-side in harmony with the locals, and are doing their part to make the city a better place to live.

**II. Project Description**

**1. Existing Problems**

• **A surge of migrants:** Since the year 2000, the number of migrants in Kunshan has surged, from 135,000 at the end of 1999 to 1,345,000 in 2009. Currently, new residents account for 66% of the total population, or double the number of locals.



- **Poor living conditions:** When they first arrived in Kunshan, many migrants lived in tatty buildings or temporary sheds, with 7 to 8 people sharing a single room. Such dwellings—crowded, under-serviced, dirty, disorderly and insecure—have become a headache for local urban management authorities.

- **Lack of social security:** Migrants usually do not have equal access to public services such as pension funds, employment training, and medical, employment, maternity and workers' compensation insurance.

- **Difficulty in getting their children admitted to schools:** As public education resources are limited, most migrant families are unable to get their children admitted to local public schools; nor do they have any alternatives, as no special schools have been set up for their children. As a result, their children have no access to proper education.

- **Difficulty in blending into the local communities:** Migrants are usually undereducated blue-collar workers from underdeveloped regions living on small incomes in Kunshan. Due to differences in cultures and life styles, they tend to be excluded by native residents, and thus have difficulties in developing a sense of belonging and identity and blending into the local community.

## **2. Objective**

The objective of the project is to make Kunshan an open, equitable, inclusive and harmonious city that migrants would like to call "Kunshan is my home", and to give migrants full play as a driving force for the sustainable economic and social development of the city, by strengthening vocational training of the migrant workers, improving their living conditions, social security and education, and safeguarding their legitimate rights and interests.

## **3. Measures**

### **3.1 Providing Public Employment Services**

To help new residents find jobs, we have set up a public employment services network providing updated job-related information. At the city level, a large Recruitment Center built in November 2007 near the railway station and bus terminal gathers together employment intermediaries in the city to provide one-stop services for migrant workers. It hosts 5 recruitment fairs a week and draws roughly 800,000 visitors a year. In the last 2 years, the Recruitment Center has helped more than 200,000 migrants find a job. At the township and village level, we have also set up public employment agencies providing instruction and assistance to new residents living in towns and villages.

We have established a job skills training center to provide new residents with free tailor-made training programs and job recommendation. The Kunshan government offers subsidies to those who have obtained vocational diplomas, special certification, or National Vocational Qualification through the training programs. In addition, the labor department holds on-site training workshops in factories covering topics such as appliance repair, electric welding and

computer operation.

Kunshan's rapid development has attracted a large number of migrant workers looking for jobs on construction sites. To equip them with the required knowledge and skills, we offer on-the-job training with a focus on safety awareness, laws and regulations and construction-related skills. Workers must undergo training and be certified before being employed.

All these training programs are designed to help migrant workers learn new skills, find jobs, and settle in.

### **3.2 Improving Living Conditions**

Two methods are being used to provide housing for new residents. The first is the government funded construction of "blue collar housing" featuring unified property management. A good example is Yong Xin Garden in the Kunshan Development Zone, a residential compound of 79,000 square meters housing over 5,000 new residents working in 11 foreign-funded enterprises. Rents are much lower than the market price, or only 6.8% of the average monthly income of the new residents living there. At present 68 such compounds have been built, accommodating nearly 250,000 new residents.

The second solution is to allow companies to construct dormitories within their own factories. For example, Kunshan Nanya Group has constructed dormitory buildings covering an area of 114,700 square meters, offering migrant workers rent-free lodging services and charging only 20 Yuan monthly for water and electricity. This solution has multiple benefits: it shortens travel time for the migrant workers and reduces living costs, while mitigating pressure on public transportation and security. It is estimated that roughly 447,000 new residents live in such dormitory buildings.

Both the "blue collar compounds" and dormitory buildings are regularly managed and provide reasonably sufficient space for living, socializing and leisure, as well as complete supporting facilities such as libraries, multimedia halls, gyms, supermarkets, restaurants, banks and internet cafes.

### **3.3 Improving Social Insurance Network**

Since 2001, new residents in Kunshan have enjoyed the same social welfare services as native residents. All company employees, whether immigrants or native residents, can join pension schemes and obtain medical, unemployment, childbirth and workers' compensation insurance. So far 450,000 new residents have been covered under social insurance policies.

Contribution to the pension scheme accounts for 26% of a participant's monthly wage: 18% goes into the pension insurance pool fund, paid by the participant's employer; and 8% goes to the participant's own pension account, paid by the participant. A monthly pension can be drawn after retirement.

Contribution to the medical insurance program accounts for 10% of a participant's monthly wage: 2% paid by the participant and 8% paid by the employer. 4% - 6.5% of this contribution goes to the participant's own medical insurance account, depending on current age; and the rest goes into the medical insurance pool fund. Participants may use their own accounts



to cover small medical fees at clinics and drug fees at designated pharmacies. Large-amount medical fees and hospital bills can be paid with the pool fund.

Contribution to the unemployment insurance program accounts for 3% of a participant's monthly wage: 1% paid by the participant and 2% (going into the unemployment insurance pool fund) paid by the employer. The participant can claim unemployment compensation when out of employment.

### **3.4 Providing Equal Education Opportunities**

Under the old educational system in Kunshan, only the children of native residents could attend the local public schools. As the number of new Kunshan residents and their children increased, the gap in education for these children became a major problem. To solve this problem, two steps have been taken: local public schools have started to enroll the children of new residents living in the neighborhood; and 9 publicly funded private schools have been created especially for the children of new residents. These efforts have enabled the children of both native and new residents to have equal opportunities and rights in terms of teacher resources, learning environment, subsidies, tuition exemptions and more.

### **3.5 Protecting Legitimate Rights**

The New Kunshan Residents Service Centre was established under the Kunshan Federation of Trade Unions to help protect the rights and interests of new residents and provide them with legal aid, career guidance, education consulting, medical help and complaint processing. The trade unions of individual companies also play a role in protecting the new residents' rights and helping with employment contracts, collective wage negotiation and labor dispute mediation.

To facilitate the process of legal aid applications by new residents, the city's legal aid network has been expanded, covering 21 service stations and 32 sub-stations. The acceptance and examination procedures for application have been simplified and expedited. In addition, a group of legal professionals have been assigned to provide consultation services.

The Kunshan government fully respects the political rights of new residents. Of all the CPPCC (Chinese People's Political Consultative Conference) Kunshan committee members, 15 were chosen from among the new residents. It is also required that 5% of representatives of every term of Kunshan People's Congress (local legislature body) be elected from among the new residents, consequently each year more than 20 new residents attend the Congress as observers. In addition, two out of the three "National Model Worker" winners elected in Kunshan in the past ten years are migrant workers.

### **3.6 Creating a Harmonious City**

The Kunshan government has dedicated itself to fostering a harmonious corporate culture. It has organized various activities targeting new residents, including the "Top 10 New Kunshan Residents" and "Top 100 Cultured New Kunshan Residents" contests, workers' athletic competitions, cultural and reading festivals hosted by foreign corporations, and construction workers' skill contests.

New residents are also encouraged to participate in public welfare and charity activities, such as earthquake and disaster relief programs, blood donations and bone marrow donations.

Through those activities, new residents are more closely linked to the local population and better integrated into the local community, leading to a more harmonious and secure city.

#### **4. Achievements**

**4.1 Economic progress:** Through the joint efforts of native and new Kunshan residents, the city's economy has developed in a sustained, rapid and coordinated way. The speed and quality of economic growth has been greatly improved. In 2009, Kunshan achieved a regional GDP of USD 25.63 billion (a 12.4-fold increase over 1999), municipal revenue of USD 4.81 billion (a 31.2-fold increase over 1999), total industrial volume of USD 84.99 billion (a 19.2-fold increase over 1999), and total import and export volume of USD 61.86 billion (a 22.5-fold increase over 1999). In 2009, Kunshan produced 60.67 million units of laptop computers, covering nearly half of the world productivity.

**4.2 Improved living conditions:** From 1999 to 2009, per capita living space in Kunshan has increased from 12 m<sup>2</sup> to 39.4 m<sup>2</sup>, per capita public green area from 9.9 m<sup>2</sup> to 13.26 m<sup>2</sup> and green coverage from 30.5 % to 45.48%. During the same period, the city's facilities and living environment have been greatly improved.

**4.3 Enhanced social insurance system:** So far, Kunshan has trained 1.1 million new residents, and offered employment services to 550,000 people. It has also established more than 200 spare-time construction schools for new residents, which have trained more than 400,000 construction workers. Meanwhile, the coverage of the social insurance program has been extended to include new residents working in companies, resulting in a social protection level unparalleled in most cities in China.

**4.4 Equal education opportunities to children of new residents:** So far, a total of 57,000 children of new residents have enrolled in various schools in Kunshan, 36,000 of whom (i.e., 63% of the total number) are enrolled in public schools, and 21,000 of whom are in schools for children of new residents. All the schools meet national standards on the construction of teaching facilities and equipment, so that every child, whether from a rich or poor family, has equal access to a quality education.

**4.5 Integration of new residents into the local community:** Kunshan's culture is constantly being enriched by the interaction between the local culture and the new cultures brought in by new residents. New residents are developing a strong sense of identity and belonging, and many of them choose to settle down. According to statistics, more than 140,000 new residents have lived in Kunshan for more than 10 years.

### **III. Key Players**

In the efforts to build a beautiful home for new residents, the Kunshan government plays a leading role, along with significant contributions from businesses, new residents and the



academic community.

**1. Business involvement:** Committed to giving back to society, the enterprises in Kunshan take proactive measures to recruit new residents. Kunshan's more than 5,000 foreign companies have become a major employment destination for these newcomers. Following a business philosophy of "honest operation, tax compliance, good treatment of employees, safe production, and environmental protection", these enterprises stand ready to cover social security for new employees, provide them with accommodation and training, integrate them into the corporate culture, and ensure them adequate quality of life.

**2. New residents' involvement:** These new residents are hard working, entrepreneurial, supportive of each other, and respectful of local laws, regulations and management rules. As an active force in the city's construction and expansion, they have also exposed themselves more to the local population, thus doing their part for Kunshan's economic growth and social progress.

**3. Professional advice:** Kunshan invited Mr. Foo Chee See, a famous expert in city planning and senior advisor at Singapore Urban Reconstruction Authority, to plan and guide sustained population and urban development in the capacity of master planner of Kunshan City. In competing for China Habitat Prize, Kunshan was very lucky to receive support from experts at the Ministry of Housing and Urban-Rural Development of China (MOHURD). Wu Liangyong, academician at the Chinese Academy of Sciences (CAS) and the Chinese Academy of Engineering (CAE) and Professor Wang Zhansheng from the Environment Science and Engineering Department of Tsinghua University gave us some suggestions on the construction and management of drinking water projects in our city.

#### **IV. Impact**

**1. Refined investment environment in the city:** With superb living conditions, favorable business environment and a rich cultural heritage, the city of Kunshan is gaining wider attention from home and abroad. More and more people from every part of the world are travelling to Kunshan, and as a result, the city's tourism industry has begun to flourish. In 2009, Kunshan played host to 11.3 million visitors, who brought in total revenues of RMB 11.5 billion. More importantly, a large influx of new workers from outside the city has boosted growth of the manufacturing sector and service industry in Kunshan.

Thanks to good relations between employers and employees and excellent training provided by the local government, a virtuous circle has been created in which skilled industrial workers contribute to rapid business growth on one hand and good corporate performance creates new job opportunities on the other. Kunshan has become a home to investors from China and abroad. To date, over 5,900 foreign-funded enterprises are running in Kunshan with a total investment surpassing USD56 billion.

**2. Improved life quality for new residents:** *The Guide to a Happy Life for New Residents in Kunshan* starts with an articulate statement: "Everyone has the right to a happy life". In 2009, urban disposable income and nonproductive expenditure per capita reached USD

4,043 and USD 2,686 respectively, a 4.1-fold and 3.3-fold increase respectively over 1999. A survey reveals that new residents in Kunshan are satisfied with the government's efforts and with environmental improvement, and the happiness index for city dwellers has surpassed 96%.

**3. Reinforced comprehensive strength of the city:** Since 1999, Kunshan's GDP, fiscal revenue and industrial output value have realized annual growth of 26%, 38% and 32% respectively. In particular, Kunshan's GDP and fiscal revenue in 2009 increased 12.4 times and 31.2 times respectively over 1999. For many consecutive years, Kunshan has topped all the county-level cities in China when it comes to comprehensive strength. In Forbes 2009 Rankings of the Best Commercial Cities in the Mainland of China, Kunshan took the first place among all the county-level cities in China.

## V. Sustainability

**1. Organizational support:** In 2004, Kunshan set up a New Resident Work Committee which is headed by a municipal official and composed of leaders of relevant development zones, towns and departments. Headquartered in Kunshan Federation of Trade Unions, the Work Committee is mandated to guide, integrate and supervise the work related to new residents with respect to education, management, rights protection and service.

**2. Policy support:** To ensure smooth operation of all the work related to new residents, Kunshan has successively formulated documents including Opinions on Redefining the "New Kunshan Citizen", Implementation of Centralized Housing for New Residents, Implementation Opinions on Giving Migrant Children and Teenagers Access to Education and Opinions on Providing Better Education for the Children of Migrant Workers.

**3. Financial support:** In recent years, Kunshan's fiscal expenditures on free training, employment and business startup services, social security, childhood education, rights protection and social assistance for new residents have increased over 24% annually. In 2009 alone, Kunshan invested a total of RMB 50 million in the above mentioned areas.

**4. Public support:** In most cases, Kunshan natives feel a responsibility to help new residents, opening their arms to the new residents and volunteering to help with related programs. As for the new residents, they have identified themselves as a part of the city and are willing to participate in city construction and management.

## VI. Transferability

### 1. Duplicable Experiences

• **Public employment services help increase employment rates among new residents.** On November 19, 2007, Xinhua Daily issued an article titled "Kunshan Creates China's Largest HR Market".

• **Guaranteed housing makes life more pleasant for new residents.** "Adequate Housing for Migrant Workers: Three Models in Kunshan" took the headline of China



Construction News on November 17, 2009.

- **Comprehensive social insurance helps ensure equal treatment of natives and new residents.** With an improved social insurance system, new residents feel safer living in Kunshan, which has also pioneered unique measures giving employment insurance benefits to the migrant workers.

- **Children of migrant workers are provided with equal access to education.** By accepting migrant children in public schools and building new dedicated schools, Kunshan has done a very good job in providing adequate education for the children of migrant workers.

- **New Residents' legal rights and interests are well protected and harmonious relations between employers and employees are maintained.** Kunshan has organized a legal aid team for new residents composed of committed and professional lawyers. A special social mediation organization has been also established in conjunction with a three-party joint meeting mechanism. Apart from these efforts, Kunshan is also encouraging new residents to participate in local politics to ensure that new residents are properly represented in the local legislature and that their interests are actively reflected.

- **An inclusive social environment is created for integration of new residents into the city.** In Kunshan, every new resident is regarded as a plus instead of a minus in terms of urban development. Kunshan is always advocating cultural inclusion in an open society so as to give new residents the opportunity to realize their potential.

2. **Areas that have shared Kunshan's experiences:** Kunshan has been widely praised both in and out of China for its practices tailored to new residents and its experiences in promoting harmonious co-existence between the natives and new comers. Delegations from the Japanese city of Tatebayashi, Italian city of Viareggio, Namibian city of Grootfontein, and Chinese cities of Dongguan, Huai'an, and Shaoxing have visited Kunshan to learn more.

3. **Areas that can benefit from Kunshan's experiences:** Large migrant populations are a serious challenge not only for other economically developed cities in China but also for cities in other developing countries. In practicing strict management of new residents and providing them with better services, Kunshan has set a good example for these cities to follow. The local government plans to invite mayors of African cities to Kunshan for communication and exchange.

## **VII. Innovation**

1. **Innovative ideas:** Kunshan's spirit of "openness, inclusion, innovation, and excellence" gives "inclusion" a prominent position. Deeply rooted in the principles of equity and equality, Kunshan treats new residents as equals by giving them the same opportunities and treatment. This "inclusion" strategy leads to harmonious coexistence and common benefits between the new and old residents, thus achieving a balance among population expansion, economic growth and social development.

**2. Innovative measures:** By providing new residents with better vocational training, improving their housing conditions, covering them in the social insurance system, giving their children equal access to education, safeguarding their legal rights and interests, and enhancing cultural inclusion, Kunshan is truly thinking outside the box.

**3. Innovative management:** In the process of integrating new residents, Kunshan has undergone a shift from management to service, fine tuned its workflows, and created an ideal service model under which the government leads the way, social groups lend their concerted support, and new and old residents work together.

## **VIII. Recognition**

**1. Honors:** Kunshan has been recognized as: a National Healthy City, National Model in Environment Protection, China's Best City for Travelers, National Garden-Style City, Most Charming City in China, National Model in Water Conservation, National Prize in Cherishing Talents and China Habitat Prize.

**2. International recognition:** In 2000, the UN Center for Human Settlements (UNCHS) presented the "Dubai International Award for Best Practices to Improve the Living Environment" to the town of Zhouzhuang in Kunshan, to recognize its well-preserved traditional folk style and water-front landscape. In May 18, 2001, the UNESCO defined Kunqu Opera as one of the first group of "Masterpieces of Oral and Intangible Heritage of Humanity".

**3. Encouraging remarks from top leaders and experts:**

Chinese President Hu Jintao: If everyone in China has a job just like residents in Kunshan do, then xiaokang society will undoubtedly translate into a reality.

Chinese Premier Wen Jiabao: Kunshan is leading the country on all fronts!

Qi Ji, Deputy Minister of the Ministry of Housing and Urban-Rural Development of China: Kunshan is leading the country in the provision of housing for its migrant population by seamlessly integrating them into the city's housing insurance system. Its experiences should serve as a model for other areas.

Niu Fengrui, Director of the Institute of Urban Development and Environment Studies under the Academy of Social Sciences of China: By embracing its migrant population, Kunshan has made another great contribution to China's sustainable development.