



China mulls minimum wage hike to ease labour shortage

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Zheng Caixiong - [China Daily](#)

Southern Chinese province of Guangdong is considering further raising minimum wages early next year to help ease the labour shortage in the province, which is one of the country's economic powerhouses.

"We have been conducting research and working out the plans (for the province's minimum monthly salary adjustments) for the provincial government," Ge Guoxing, deputy director-general of Guangdong provincial department of human resources and social security, said at a press conference on Monday (November 29).

"Guangdong might adjust its minimum salary levels according to the province's actual situation and the price hikes that take place early in 2011," Ge said, adding that the provincial government would need to approve raising the rate of minimum wages.

The rate of minimum wages in Guangdong is not the highest in China, Ge said.

Guangdong's minimum monthly salary is currently 1,030 yuan (US\$154), lower than that of Shanghai and other prosperous provinces and regions.

As a result of the low wages, many migrant workers are choosing to leave Guangdong for the Yangtze River Delta and other areas, local media reported.

Since Guangdong is no longer competitive in terms of wages, the province will face another labour shortage in the first quarter of 2011 after many migrant workers return home for the lunar new year, which falls on Feb 3, Ge said.

But he refused to reveal the actual figure involved in the labour shortage.

The provincial government is in the process of taking concrete and effective measures to address the situation, he said.

In addition to reviewing minimum wages, the provincial government has issued a notice asking relevant departments to do what they can to protect the legal rights of migrant workers in Guangdong.

The government helped more than 158,400 migrant workers claim wages that were in arrears and benefits worth more than 297 million yuan (\$44.5 million) in the first 10 months of 2010.

During the same period, Guangdong also granted urban hukou, or household registration, to more than 103,600 farmers through a points-based system.

The province hopes to entice more farmers to become urban residents by lowering the qualifying threshold and providing employment training courses, Ge said.

The provincial government has urged local companies, particularly labour-intensive firms in cities along the Pearl River Delta, to shift their production to the province's eastern, western and northern areas where there is an abundant supply of labour.

The province is also seeking to further enhance cooperation with other provinces and regions to attract more migrant workers, Ge said.

Guangdong, which borders the Hong Kong and Macao special administrative regions, currently has more than 30 million migrant workers, most of whom were farmers.

Many local companies and workers said they would welcome a rise in the province's minimum wages.

Wang Chongwen, who runs a garment factory in Foshan of Guangdong province, said an increase in minimum wages would help employers recruit more staff in the future.

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