

# China



## Overview

### Commodities

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Wages

What's happening

25%

Population below international poverty line

variable

National minimum wage

variable

Urban living wage

24%

Agricultural workforce

7%

Agriculture share of GDP

5

very high

Risk to workers' rights

## Context

China has the largest population of any nation at 1.4 billion people,<sup>[1]</sup> out of which 37%<sup>[2]</sup> reside in rural areas. Agriculture employs almost one third<sup>[3]</sup> of the country's working population and accounts for 7%<sup>[4]</sup> of the nation's GDP.

China has experienced remarkable rural to urban migration since the late 1970s. This process of urbanisation transformed China's agricultural sector from a collectivised sector to a highly commercial, modern, and efficient one. Smallholder farmers in China typically work between 2-3 hectares of land and make up a significant amount of the population, between 230-250 million people, a large majority of which are considered poor or "close-to-poor".<sup>[5]</sup> Although China only has 10% of the world's arable land, it is responsible for feeding one fifth of the world's population and for producing a quarter of the global grain production.<sup>[6]</sup>

The top produced commodities in China are maize, rice, fresh vegetables, wheat and milled rice.<sup>[7]</sup> Similarly, China's top export commodities in terms of value are crude materials, tea, preserved vegetables, garlic and chigarettes.<sup>[8]</sup>

## Wages

## Minimum wage

There is no national minimum wage in China, however local and provincial governments are required to set their own minimum wage for formal and informal sectors.<sup>[9][10]</sup> Withholding and non-payment of wages is a remaining and severe problem in China as companies informally hire low-wage migrant workers. Overtime work is widespread in the country, with 72-hours work weeks being common practice for many workers. Additionally, companies often close on short notice or relocate without paying previous employees their due compensation. Workers in the informal sector typically work longer hours and get paid even less than their counterparts in the formal sector.<sup>[10]</sup>

## Living wage

The Global Living Wage Coalition has developed **6 regional living wage benchmarks** exclusively for urban China.

The living wage for urban Zhengzhou is 3,177 Chinese yuan (440 EUR) per month and is based on a family of 3.5 with 1.78 full-time workers. Zhengzhou is an important industrial city and accordingly, this living wage estimate focusses on workers in the manufacturing industry.<sup>[11]</sup>

The living wage for urban Hangzhou is 4,370 Chinese yuan (605 EUR) per month and is based on a family of 3.5 with 1.78 full-time workers. The living wage estimate is provided with a focus on manufacturing industry parks.<sup>[12]</sup>

The living wage for urban Shenzhen is 3,235 Chinese yuan (448 EUR) per month and is based on a family of 3.5 with 1.78 full-time workers. The living wage estimate is for areas of Shenzhen with concentrations of manufacturing industrial parks.<sup>[13]</sup>

The living wage for urban Chengdu is 2,736 Chinese yuan (379 EUR) per month and is based on a family of 3.5 with 1.78 full-time workers. Chengdu is considered a hi-tech development zone and this living wage estimate focuses on employment in high-tech manufacturing.<sup>[14]</sup>

The living wage for urban Shanghai is 4,707 Chinese yuan (652 EUR) per month and is based on a family of 3.5 with 1.78 full-time workers. The living wage estimate for Shanghai is focused on workers employed in manufacturing industry parks.<sup>[15]</sup>

The living wage for urban Suzhou is 4,044 Chinese yuan (560 EUR) per month and is based on a family of 3.5 with 1.78 full-time workers. The living wage estimate for Suzhou focusses on workers employed in manufacturing industry parks.<sup>[16]</sup>

## What's happening

### INITIATIVE

#### [Ethical Tea Partnership in China](#)

The Ethical Tea Partnership runs a full range of programmes to help tea farmers improve their economic standing.

### RESOURCE

#### [Paying living wages in the electronics supply chain](#)

A case study on how Fairphone is paying a living wage bonus at a first-tier supplier in China.

### INITIATIVE

#### [Fair Wear Foundation in China](#)

Fair Wear supports garment industry workers in realising their rights to safe, dignified and properly paid employment.

### RESOURCE

#### [Living Wage Benchmark, Urban Chengdu, China](#)

Living wage estimate with a focus on high-tech factory workers in urban Chengdu, China.

### RESOURCE

### RESOURCE

**RESOURCE****Living Wage Benchmark, Urban Zhengzhou, China** 

Living Wage estimate with a focus on the manufacturing industry in urban Zhengzhou, China.

**RESOURCE****Living Wage Benchmark, Urban Shenzhen, China** 

Living wage estimate with a focus on the manufacturing industry in urban Shenzhen, China.

**RESOURCE****Living Wage Benchmark, Urban Shanghai, China** 

Living wage estimate with a focus on high-tech manufacturing in urban Shanghai, China.

**RESOURCE****Living Wage Benchmark, Urban Suzhou, China** 

Living wage estimate with a focus on high-tech manufacturing in urban Suzhou, China.

**RESOURCE****Living Wage Benchmark for Urban Hangzhou, China** 

Living Wage estimate with a focus on high-tech manufacturing in urban Hangzhou, China.

## Footnotes

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