

Research on the Influence of Employment Support Workshop on Poverty Alleviation Labor in Rural China

Zherun Chen *

School of business, Hunan Normal University, Changsha, Hunan, 410081, China

* Corresponding author Email: Chenzherun@hunnu.edu.cn

Abstract: The poverty alleviation workshop has played a huge role in solving the problem of local employment of Chinese elderly people, left-behind women and poverty-stricken people in poverty-stricken areas. In the process of China's rural revitalization, the poverty alleviation workshop was renamed the employment assistance workshop. In the form of case studies, this paper summarizes the main operation modes of the four types of employment assistance workshops, empirically analyzes the income increasing effect of employment assistance workshops through econometric models, and suggestions on how to better promote rural revitalization of employment assistance workshops.

Keywords: Employment Support Workshop; Poverty Alleviation; Rural Revitalization; Poverty Alleviation Workshop.

1. Introduction

In 2016, the poverty alleviation workshop, an innovative measure of precise poverty alleviation, was born in Heze City, Shandong Province. This paper chooses Wugang City of Hunan Province as the research site of this research.

Wugang, a county-level city under the jurisdiction of Hunan Province and administered by Shaoyang City, achieved poverty alleviation in 2018. At present, there are 288 employment assistance workshops in Wugang, ranking first in county-level cities in the province, and its experience in the construction of employment assistance workshops is worth learning. In this paper, more than 30 employment support workshops were investigated, and questionnaires were issued to the workers in the workshops to clarify the characteristics of the employment workforce in the employment support workshops.

2. Literature Review

2.1. Research on the Effect of Poverty Alleviation Workshop

In the research of poverty alleviation effect of poverty alleviation workshop, a variety of research methods have been used to analyze the effect. For example, based on the A-F method, expected poverty vulnerability analysis and case analysis, it is found that poverty alleviation workshop has two functions in helping local labor quality: first, it can improve the feasible ability of farmers, including income increase ability, labor ability, interpersonal ability and sustainable livelihood ability; Second, through the exploration of human resource management, it lays the foundation for the better development of local human resources, while driving rural employment and promoting rural economic development (Xie Peijun, 2021; Li Sai, 2021). From a broader perspective, the poverty alleviation workshop has certain space to reshape the existing industrial structure, social governance, farmer behavior and other aspects of rural society, and has great potential in optimizing the overall development of rural areas and effectively connecting the implementation of rural revitalization policies (Liu Yan et al., 2021).

2.2. Sustainability Research of Poverty Alleviation Workshops

In terms of research on the sustainability of poverty alleviation workshops, certain research findings have been made from the perspective of micro enterprise nature to macro industry connection. These studies point out the challenges caused by different factors to the sustainable development of poverty alleviation workshops by analyzing the generation mechanism and operation mode (He Yang et al., 2019; Liu Xuemin, 2019). Through these analyses, the academic community found that the current poverty alleviation workshop has "three low" problems, such as low rent, low operation organization and low agriculture-related main business (Zhang Youpeng, 2021), and proposed sustainable development paths such as "adapting to local conditions, accurate construction" and "accurate guidance and quality improvement" (Cen Jiafeng, 2021). Under the background of rural revitalization, the paper further puts forward some countermeasures and suggestions to promote the high-quality development of poverty alleviation workshops.

3. Basic Model of Poverty Alleviation Workshop

3.1. Incoming Material Processing with Domestic Cycle Model

Incoming processing with domestic cycle model employment assistance workshop refers to a class of workshops that have a clear downstream enterprise, provide materials by the other party, and produce intermediate products in the form of incoming processing according to the production order issued by the other party. Its advantages are high flexibility and mobility of the workshop, and the production mode fits the characteristics of the local labor force. Although the workshop organization level is low, most of them belong to individual industrial and commercial enterprises, but because of its simple composition of workshop personnel, it occupies an advantage in mobility and flexibility, and can rapidly change the production structure

and production scale according to demand. The disadvantage of this model is that it relies too much on downstream enterprises, and the production chain has weak ability to resist risks. The workshop itself does not have the ability to independently receive orders, if the downstream enterprises do not allocate orders or less orders, the workshop will reduce the number of employees, shorten working hours, stop the assembly line or even the whole factory holiday. It means that the income source of workers employed in the employment support workshop is unstable, the wage level fluctuates, and the income of workers is lost.

In addition, the low technical content of such workshops leads to low pay and difficulty in recruiting workers. Because such workshops are often small in scale and the technical content and added value of the products are low, it is difficult for the workshop to offer higher wages to the workers, who are basically surplus labor in the village where the workshop is located, mainly older women.

3.2. Incoming Material Processing with International Circulation Model

Incoming material processing with international circulation" mode employment assistance workshop refers to a type of employment assistance workshop in which export enterprises undertake orders from foreign enterprises on the basis of using raw materials provided by foreign or local enterprises to process and assemble in accordance with the order requirements, and the final finished products are sold by export enterprises to foreign enterprises, and processing fees are charged.

The advantages of this model are as follows: First, reasonable division of labor positioning. According to the division of labor theory, people's innate endowments and abilities are different, and they cannot be familiar with a variety of jobs at the same time, and specialized division of labor can help improve social production efficiency. Employment in the workshop to help semi-labor, weak labor, etc., can not fully sophisticated work, no effective channels to obtain foreign orders, unable to bear too much production preparation costs, based on this, it will position itself as the division of labor processing part, order acquisition, raw materials, transportation and technical costs are borne by the export company. The second is to open up the international market, the current domestic processing market is approaching saturation, the industry profit margin has declined seriously in recent years, and the rapid development of global trade, the development potential of broad foreign markets is greater, so the workshop turns to cooperate with export enterprises that mainly undertake international market orders, and has a broader source of orders.

This mode also has disadvantages. First, from the perspective of intermediary export companies, employment support workshops directly ask for processing fees from export companies. When overseas enterprises or export companies default, the support workshops may face the risk of not receiving processing fees. Second, from the perspective of the employment help workshop itself, the funds are often only used for rent, wages and utilities, and the credit means such as water and collateral are insufficient, in fact, there is no loan ability to expand the scale of production.

3.3. Material Processing with Self-Financing Model

Material processing with regional cooperation type

employment support workshop refers to a type of employment support workshop that undertakes industrial transfer in coastal areas, accepts industrial transfer orders, purchases raw materials, components or spare parts by itself, processes and assembles finished products according to its own design and exports them to foreign markets, and is mainly founded by entrepreneurs from abroad who return to their hometown.

Affected by labor, internal transaction costs, land prices, national policies and other factors, enterprises transfer part or all of the production of products from the original origin to other regions. The material processing with regional cooperation model of employment assistance workshops transfers stable order resources from the industry, makes use of local labor and other comparative advantages, and is oriented to orders and customers. Processing and assembly into finished products and re-export to foreign markets, forming a transfer out of the order - local production - export abroad production and marketing mode.

3.4. Material Processing with Regional Cooperation Model

Material processing with regional cooperation type employment support workshop refers to a type of employment support workshop that undertakes industrial transfer in coastal areas, accepts industrial transfer orders, purchases raw materials, components or spare parts by itself, processes and assembles finished products according to its own design and exports them to foreign markets, and is mainly founded by entrepreneurs from abroad who return to their hometown.

Affected by labor, internal transaction costs, land prices, national policies and other factors, enterprises transfer part or all of the production of products from the original origin to other regions. The import processing with regional cooperation mode of employment assistance workshops transfers stable order resources from the industry, makes use of local labor and other comparative advantages, and is oriented to orders and customers. Processing and assembly into finished products and re-export to foreign markets, forming a transfer out of the order - local production - export abroad production and marketing mode.

This kind of employment support workshop has great advantages in solving the difficulties of raw material shortage, meeting the needs of the international market and customer requirements, combining foreign resources and markets with domestic production capacity, and some products that cannot be exported can also meet the needs of the domestic market. Carrying out incoming material processing can better organize raw material import and processing production, and help achieve the right production and marketing. At the same time, to a certain extent, it can also avoid blind production, reduce inventory overstocking, give full play to the advantages of relatively low labor prices, and effectively make use of relatively excess processing capacity, and promote strengths and avoid weaknesses. It has effectively promoted the employment of the poverty-stricken workforce and helped consolidate the achievements of poverty alleviation. Such employment support workshops occupy construction advantages in inland areas with comparative advantages of labor force, land, policy and high resource endowment, and carry out material processing and international trade through stable order sources maintained by social relations.

3.5. Empirical Result

We distributed 179 questionnaires to randomly selected workers in the employment support workshop and analyzed the results. Through the collation of a large number of literatures, this paper sets the following model to estimate the influencing factors of labor wages in employment support workshops.

$$Wage_i = \beta_0 + \beta_1 day_i + \beta_2 time_i + \beta_3 day_i * time_i + \alpha X_i + \varepsilon_i$$

Among them, the explained variable is wage, and the natural logarithm is adopted in reference to mainstream labor economics practices. The main explanatory variables are day (working days per month), time (working hours per day) and day*time. The control variables X include sex, age health pop (total family population) and year (working years).

Table 1. 179 questionnaires were randomly selected

	(1)	(2)	(3)	(4)	(5)	(6)
	<i>lnwage</i>	<i>lnwage</i>	<i>lnwage</i>	<i>lnwage</i>	<i>lnwage</i>	<i>lnwage</i>
<i>day</i>	0.0222*	0.0205*				
	(1.80)	(1.80)				
<i>time</i>			0.0336	0.0279		
			(1.04)	(1.15)		
<i>day*time</i>					0.0021**	0.0019**
					(2.17)	(2.13)
<i>sex</i>		-0.5362***		-0.5293***		-0.5170***
		(-4.35)		(-4.02)		(-4.05)
<i>age</i>		-0.0122**		-0.0140**		-0.0135**
		(-2.47)		(-2.59)		(-2.59)
<i>health</i>		0.1299***		0.1268***		0.1227***
		(3.44)		(3.40)		(3.31)
<i>year</i>		0.0308**		0.0356***		0.0289**
		(2.43)		(2.96)		(2.34)
<i>pop</i>		0.0494**		0.0421**		0.0495**
		(2.52)		(2.18)		(2.50)
<i>edu</i>		-0.1001		-0.0969		-0.1037
		(-1.56)		(-1.50)		(-1.63)
<i>poor</i>		0.0468		0.0471		0.0556
		(0.61)		(0.58)		(0.73)
<i>Constant</i>	6.8210***	7.6151***	7.0919***	7.9971***	6.9186***	7.7659***
	(20.81)	(13.73)	(24.73)	(15.48)	(30.58)	(15.44)
<i>Observation</i>	179	179	179	179	179	179
<i>R-squared</i>	0.050	0.283	0.009	0.249	0.059	0.288

The results show that when only the number of working days per month is considered, regardless of whether the control variables are added, the regression coefficient of working hours per month on wages is positive, and is significant at the level of 10%, indicating that there is a phenomenon of more work, more pay. The estimated coefficient of daily working hours on wages is positive, but not significant. This result is not consistent with the ideal situation. According to the investigation, we believe that this may be due to the weak initiative of the labor force in the employment assistance workshop to grasp the length of daily working hours. Instead of being free to choose whether to come to work or not, the daily working hours are strictly regulated and the pay for overtime is limited. Gender, age and health have significant negative effects on wages. Female identity will reduce the income of the labor force in the

employment help workshop, which may be because most of the employment help workshops adopt the "piece pay" wage system, and men bear more coolly work, age and health status are the same, with the increase of age and the decline of health level, the workload can be completed lower. The coefficient of the number of family population is positive and significant at the 5% level, which may be influenced by the work enthusiasm of the labor force in the employment support workshop. A larger family population means more elderly people and minors to support, which will lead to an increase in the family burden, and thus positively stimulate the work enthusiasm of the workers in the workshop. The significant positive effect of years of work can be explained by the increase in work experience: older workers in the workshop are more skilled, have lower defective rates, are more productive, and therefore have higher piecework wages.

4. Policy Suggestion

First, the human resources and social security department should collect the employment needs of the employment assistance workshops within its control, make comprehensive use of mainstream media such as TV, radio and news websites to publicize employment information, try to use video number, Douyin number and Kuaishou number to introduce the working environment in the employment assistance workshops, and give play to the communication advantages of new media that are more favored by rural people. We should encourage employment support workshops to put up recruitment leaflets and posters in market towns, villages and fields, and establish a direct link between employment support workshops and idle labor.

Second, the natural resources department should clarify the location, area and land ownership information of idle land such as idle homestead in each village, and release it to the employment assistance workshop enterprises in a timely manner. For the land needs of the employment help workshop, such as the expansion of the original factory and the establishment of branch factories, it is necessary to broaden the channels of land security for the construction land of the employment help workshop by revitalizing idle land, rationally allocating land indicators, and appropriately giving land indicators a tilt.

Third, where conditions permit, the rural revitalization department can take the lead and invite industry experts to guide the employment assistance workshop on how to hedge the production of essential raw materials such as steel and agricultural products. Local governments should pay close attention to the introduction of employment assistance workshop utilities, venue rent and logistics costs and other aspects of the support measures. Temporary subsidies can be directly given, tolls can also be reduced with reference to the green Pass policy for the transportation of fresh agricultural products, and employment assistance workshops can be resolutely avoided, firmly ensuring that the poverty-stricken population and other key groups have classes to work on, jobs to work on, and stable sources of income.

Acknowledgments

Supported by the National Students' Platform for Innovation and Entrepreneurship Training Program (202210542022).

References

- [1] Cen Jiafeng. Research on sustainable development path of poverty alleviation workshop in post-poverty alleviation era -- A case study of Guangxi [J]. Journal of the Party School of Nanning Municipal Committee of the CPC,2021,23(05):40-45.
- [2] Chen Wensheng, Wang Wenqiang. Hunan Rural Revitalization Report (2019-2020) [M]. Social Sciences Academic Press, 2020.
- [3] [Chen Xiwen. The proposal of rural revitalization strategy from 40 years of rural reform [J]. Administrative Reform,2018 (04): 4-10.
- [4] Fu W. Rural industry and its social basis in the process of Urban-Rural integration: A case study of raw materials processing in remote villages of L City, Zhejiang Province [J]. Chinese Social Sciences,2018(06):71-90+205-206.
- [5] Gao Hongxia. Building e-commerce "poverty alleviation workshop" in Guanghe County to accelerate the pace of poverty alleviation [J]. Development,2018(5):45.
- [6] Han Hwae, Gogeum. Study on the protective effect of rural subsistence allowance system in China: Empirical evidence from China Household Tracking Survey (CFPS) [J]. Journal of Public Administration,2017,14(02):81-96+156-157.
- [7] LUO Dongxia. Evolution of rural land policy in our country: historical context, theoretical logic and objective of value [J]. Rural Economy,2022(05):40-49.
- [8] Ping Weiyang, Luo Liangqing, Zhang Bo. The practical basis, theoretical logic and practical experience of employment poverty alleviation in China [J]. Management World, 2019,37 (07): 32-43+3.
- [9] Zhu Ling, He Wei. Social mobility and urban and rural public services of poverty-stricken farmers [J]. Economic Research Journal,202,57(03):25-48.