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**INTERNAL MIGRATION IN CHINA:
LINKING IT TO DEVELOPMENT**

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INTERNAL MIGRATION IN CHINA: LINKING IT TO DEVELOPMENT

1. INTRODUCTION¹

As the most populous nation of the world, China is experiencing the most extensive internal migration today. In 2003, the so-called floating population, i.e, people who are not permanently registered in their current place of residence, reached 140 million, most of them rural labourers moving from the countryside to cities and coastal areas.² For instance, as many as 114 million rural labourers participated in internal migration in 2003.³ Such internal rural labour migration and related issues, especially regarding poverty reduction, has become one of most significant research and policy concerns in China in recent years.

Even though China has experienced rapid urbanization since the reforms started in 1978, large numbers of people continue to live in rural areas and to work in the agricultural sector. In 2003, 769 million Chinese, or 59.47 per cent of the total population, lived in rural areas. In terms of employment structure, among the 489.7 million rural labourers, 312.6 million were working in agriculture in 2003⁴ (NSB, 2004).

In recent years, the Chinese Government pursued a more positive approach towards rural-urban migration, and adopted a number of policies in support of rural migrants in urban areas.

This paper shall emphasize the relationship between migration and development and poverty alleviation. It is proposed that internal labour migration can have a positive effect on development and poverty alleviation in the areas of origin. It will also highlight the new policies and practices initiated in recent years.

2. MIGRATION: ITS CAUSES, TRENDS AND PATTERNS

Causes and trends

Internal migration in China is characterized by two important features: first, most migrants left their farmlands for urban areas and/or for non-agricultural activities; second, such labour flows are basically directed from the interior to coastal areas, and/or from central and western regions to eastern areas. These two features overlap, and are closely interrelated with the macro socio-economic structure.

With the abolition of the People's Commune System, a new Household Responsibility System was introduced and, as a result, rural populations obtained more autonomy regarding what and how much to produce. The reform contributed greatly to the increase of rural households' income, and in the early 1980s caused the rural-urban income gap to decline to its lowest level: in 1983, the urban-rural income ratio stood at 1.70, the lowest since 1978.

However, though it was widely accepted that the income gap is the most important force driving rural-urban migration, some scholars argued that the current phenomenon of migration cannot be explained fully if other factors, such as institutional changes, the action of migrants as agents, and cultural change in terms of daily life and consumption were neglected (Huang Ping et al., 1997). It is certain that increasing numbers of rural labourers left their farmlands and villages for urban and coastal areas since the reform, especially since Deng Xiaoping's Southern Visit in 1992. The number of rural labour migrants rose to around 60 million in 1994, 88 million in 2000 and 94 million in 2002.⁵ In spite of such large numbers of rural migrant labourers, it is estimated that around 150 million "surplus" rural labourers continue to be active in agriculture (*China Daily*, 23 January 2003). Therefore, unemployment/underemployment in rural areas is often perceived as another important cause of rural labour flows to urban areas. At the same time, in part as a result of rural-urban labour migration, China experienced a rapid rate of urbanization since the reform, increasing from 17.6 per cent in 1977 to 40.5 per cent in 2003, i.e. a 0.88 per cent average annual increase. Many researchers predict that urbanization will continue to grow at this rapid rate, or even higher, for another 20 to 30 years (Bai Nansheng, 2003; Zhang Juwei and Wu Yaowu, 2004).

Regional disparity is often regarded as the key cause of labour flow from western and central to the eastern regions. Amongst 38.97 million extra-provincial migrants who left their home provinces, 84.65 per cent moved to eastern regions in 2002 (Liu Jianjin, 2004). Even though the regional disparity appears as a historical socio-economic phenomenon, the development strategies of the early 1980s also played an important rôle. With the pro-east development approaches, such as the creation of the Special Economic Zones (SEZ), lower taxes, favourable land usage and similar initiatives, eastern regions have absorbed the largest share of foreign direct investments (FDI): 90.7 per cent of total FDI were registered in eastern regions between 1983 and 1989, and 88.1 per cent between 1990 and 1996 (NSB, *China Statistical Yearbook*, 1984-1997). Aware of the serious regional disparities, the government began to adjust its development strategy as of the late 1990s and initiated the much publicized "GoWest" programme and many pro-poor projects.

Despite many employment opportunities and presumably higher salaries in developed regions, a high proportion of rural migrants have sought jobs within their own counties, prefectures and provinces. Statistics showed that 75 per cent of rural migrant labourers were employed within their own provinces in 2000. Similarly, most migrants had not moved to metropolitan areas or large cities, but to small and middle-sized ones. Statistics showed that there were only 30.18 per cent of migrants employed in provincial capitals in 2000 (NBS and MOLSS, 2001). This stands to reason and rural labourers are also rational in their decisions, tending to reduce their economic, social and cultural costs when they decide to leave agriculture for urban or non-agricultural sectors.

Employment structure

The employment structure for migrants is highly correlated to the labour market and the amount of human resources available. With the advantage of large numbers of cheap and qualified labourers, China and the Zhujiang Delta and Yangtze River Delta in particular, has become one of most important global manufacturing bases in the 1990s, employing 37.22 per cent of all

migrant labourers in 2000. Besides the manufacturing sector, there are three other sectors that have also absorbed a large number of rural migrants, notably the construction, restaurant and commercial and services sectors. In 2000, 14.41 per cent of all migrants were employed in construction, 12.2 per cent in services and 1.93 per cent in restaurants and commerce (NBS and MOLSS, 2001). As many migrant labourers have relatively lower education and less skills it is easier for them to find in jobs in these sectors, while for their part, the large capacity of these sectors allowed them to absorb migrant labourers during the reform towards a market economy

Regional diversity

Regarding inter-province migration, the central and western regions are main sending areas, and the eastern and coastal regions main receiving areas. But regarding provinces such as Jiangxi, Anhui, He'nan, Sichuan, large-scale labour migration had already occurred much earlier, starting in the early 1980s partly because their problems of "overpopulation vs. limited arable land" were more serious. But in some provinces in western China, such as Gansu, Ningxia, Inner Mongolia and others, large-scale rural labour migration took place relatively late, starting mainly in the mid- and late 1990s, when the "rural problem in three dimensions", i.e. rural economy, rural residents and rural communities, became one of most serious issues since the reform. Other provinces, such as, e.g. Yunnan and Qinghai, with large ethnic populations, never experienced large-scale labour migration to other developed provinces, even though they are poorer and economically more underdeveloped.

Return of migrant labourers

Research shows that most migrant labourers returned home because they were either unable to realize their work expectations, or they come back to marry and take care of their parents and may be expected to leave the countryside again when possible (LYinhe et al., 2000; Bai Nainsheng et al., 2002). However, the age structure of migrant labourers in large cities remained stable since the early 1990s, implying that many migrants actually returned to the sending areas, even though not necessarily to their villages and agricultural work, but to townships or small cities for non-farm activities. Moreover, it is true that most of the so-called "new generation" of rural migrants will not return to rural areas or work on farmland because, on the one hand, there is not enough farmland and therefore there are not enough employment opportunities in agriculture and, on the other, they are reluctant to return to rural areas and agricultural work. The real question is, therefore, if these migrants cannot stay in the big cities or the developed regions, where can they go and what can they do?

Shortage of migrant labourers in 2004

Many scholars and policy makers argued that there are still 150 million "surplus labourers" in agriculture who need to be transferred to non-agricultural sectors in the next one or two decades. But, in 2004, a new problem emerged in the form of a shortage of migrant labourers in many receiving areas. A survey showed that in 2004, 2 million migrant labourers were needed in the Zhujiang Delta region, eastern Fujian and south-eastern Zhejiang, where many manufacturing

enterprises were located (Mo Rong, 2004). The survey concluded that the problem of labour shortage was not due to institutional barriers, but rather to low wages, long working hours and poor working conditions. Some scholars attribute the shortages to the governmental pro-farmers/agriculture policies in 2004, which aimed at increasing rural incomes and, in fact, raising farmers' incomes by 300 yuan on average (*People's Daily*, 3 March 2005). Many people, especially those advocating for migrants' rights, actually welcome the issue of shortages, in the expectation that this would oblige foreign investment companies or joint ventures to raise wages and improve working conditions for migrant labourers (*Beijing Youth Daily*, 27 July 2004; *Nanfang Dushi Bao* (*Guangzhou: South Urban Daily*), 3 August 2004).

3. MIGRATION, POVERTY AND DEVELOPMENT

Impacts on migrants and their families

According to the *White Book on China Poverty Reduction and Development*, released in 2000, around 30 million people live below the poverty line in rural areas. The government has identified 592 counties as "poor areas" across the country, with most of them located in central and western China (173 and 375, respectively). Rural poverty in central and western China poses a main challenge to local development efforts and is a key development concern in these regions.

It is evident that the remittances by migrant labourers have played a very significant role in reducing poverty and promoting local development in the sending areas, especially for the poor ones among them. On average, each migrant labourer remitted up to 4522.15 yuan (about 545 US dollars) in 2000 (NSB and MOLSS, 2001), that is, a poor family could basically escape poverty with the help of remittances. Comparative research showed that relative to those in other developing countries, migrant labourers in China saved more out of their wages to remit to their families (Li Qiang, 2001). These remittances are mainly used for daily living expenditure, children's education, house building and/or improvement, and even for agricultural production.

Moreover, the migration experience can be helpful for migrant labourers to increase their own human capital. Research showed that in the cities migrants learnt non-agricultural skills, became open to new experiences and knowledge, made new friends, and so on (Du Ying, 1995; Du Ying and Bai Nansheng, Eds, 1997). Many migrants, especially the "new generation" go to look for jobs in cities not only because of the income they can earn, but also, and more importantly, because of the new experiences they can gain there (Luo Xia and Wang Chunguang, 2003). In particular, female rural labourers can, to some extent, improve their status within their families and communities because of their migration experience (Rachel Connelly et al., 2004).

Impacts for sending areas

According to research, labour migration from rural to urban areas contributed 16 per cent of total GDP growth in the past 18 years. Migration should be regarded as one of the reasons for the national economy's high average annual growth rate of 9.2 per cent between 1978 and 1997 (Cai Fang, 2001). Through their hard work, high savings, low consumption and by reducing the

pressure on the land, these tens of millions of rural labourers have helped their family members who had stayed behind. Had there been no, or much less migration, the socio-economic gap between rural and urban societies would have been much wider.

Even only considering the amount of remittances sent by migrant labourers, there is no doubt that rural labour migration has greatly contributed to the local development of sending areas, especially the poor areas. For instance, in one poor county in Sichuan in the late 1990s, annual remittances sent through the county post office were five times higher than the total revenue of the county government. To realize the full significance it has to be borne in mind that remittances sent via the post office are generally only half the total amount migrants actually sent or brought home (Huang Ping, 2003). Labour migration has been regarded as one of the important strategies to promote economic growth by many local governments of sending areas, especially those of western China, such as Sichuan, Gansu, Chongqing. Moreover, labour migration has also been taken up as one of the national strategies to reduce rural poverty since the late 1990s.

Remittances could be a much more active factor in the promotion of local development if channelled towards productive investments and the development of human capital.⁷ Therefore, policies and development projects should aim to create an enabling environment for the expansion of the local economy, especially for small businesses.

Migrant labourers who have expanded their experiences and increased their human capital through their migration can become a positive force in the local socio-economic development of sending areas. Anhui Province, one of the main sending areas with large-scale migration since the early 1980s, has witnessed the return of a large number of migrants who created their own enterprises there.⁸ Moreover, some migrant labourers have become leaders in their communities after their return to their home villages. These new leaders can play a significant role in the local development process.

However, labour migration can also become a “brain drain” problem for the sending areas to a certain extent. Given that the prices of rural products are not competitive either on the Chinese or the world market, agriculture has become a less profitable sector and, even those who are not part of the so-called “surplus” labourers have also left their farmland in search for non-agricultural jobs in urban areas. As a result, in some areas it is mostly the women and the elderly who are working in agriculture. Research has shown that return migrants contribute positively to the economic development of their home areas, quite often even those who returned because their migration was “unsuccessful” or, in the case of women, because their family asked them to return. Successful migrants often return to escape the drudgery of urban wage labour and to use their savings and urban experience to set themselves up in small businesses in their home areas (Ma Zhongdong, 2001, 2002; Murphy, 2003).

Impacts on the receiving areas

Since 1992, south-east China, where overseas investment is concentrated and numerous rural labourers go to, has enjoyed rapid economic growth. Evidently migrant labourers play a key role in this. Their low wages and relatively high human capital make the manufacturing industry in China more competitive relative to other countries. Moreover rural migrants have greatly changed

the social structure of receiving areas. In some local areas, the number of migrants can largely outnumber local permanent residents. The incoming rural migrants are at the bottom of the social ladder. They are paid piece-rate wages and most work extra hours without any additional pay, few welfare benefits and little social protection (She Xiaoye, 1997; Huang Ping, 2003).

In some sectors in the cities, migrants greatly outnumber local urban labourers, partly because the latter are unwilling to work in these sectors. According to Lu Xueyi, 79.8 per cent of workers in urban construction are rural migrants, 52.5 per cent in mining, 68.2 per cent in the manufacture of electronic products, 52.5 per cent in social services, 58.4 per cent in the restaurants and tourism segment and 58.3 per cent in sales (Lu Xueyi, 2003).

More importantly, a deeper change is taking place, of which migration and urbanization are partly the cause and result; namely, the abolition or relaxation of many institutional boundaries in Chinese society, such as those between rural and urban areas, the eastern-coastal and western-central regions, and agriculture and industry.

4. IMPROVING POLICIES

In the period 2000-2004, the Chinese leadership made a serious effort to fundamentally review the official approach to labour migration. Several policy initiatives to free the labour market across China and guarantee more equitable opportunities for migrant labourers were undertaken in this period:

***Hukou* reform**

Established in 1958, the Residence Registration System (*Hukou*) was an institutional barrier to prevent rural-urban migration. But between 1984 and 2000, the system was progressively relaxed allowing rural labourers to leave their villages to seek non-agricultural opportunities in urban areas, though it remained very difficult for them to obtain an urban *Hukou*.

In March 2001 the central government decided to reform the *hukou* system. On 1 October 2001, China started on an experimental reform of the residence registration system in more than 20,000 small towns (*Beijing qingnian bao* (*Beijing Youth Daily*), 28 September 2001). In the same year the State Development and Planning Committee (SDPC, since 2003 the National Development and Reform Committee (NDRC)) drafted the new five-year plan, which aimed at unifying the national labour market within the next five years, eliminating the restrictions on the flow of the rural labourers, and establishing a system of employment registration and a matching new social security system.⁹

Since the *hukou* reform of October 2001, the new labour migration policies can be stated as follows:

- Residence in small towns and townships is open to rural labourers who have found a job and accommodation there.

- Medium-sized cities and some provincial capitals have removed the limit on the number of rural labourers who can apply for permanent residence status.
- Mega cities such as Shanghai and Beijing have adopted a soft policy of “widening the gate, raising the price”, under which still limits the number of rural labourers for permanent residence status.

Creating a unified labour market

In early 2002 the State Council issued Document No. 2, which specifies how the free flow of rural-urban migrants under the *hukou* reform should be catered for in the cities. The document stressed that migrant workers are “members of the working class” instead of peasants, and that they have contributed much to urban construction and development since the early 1980s; therefore, no unreasonable limits or biased policies should be imposed on rural migrant labourers. Instead, they should be encouraged to migrate to urban areas. More importantly, the document set out four new policy principles: fair treatment, reasonable guidance, management improvement, and better service.

Furthermore, the labour authorities are gradually providing more and more employment services for migrant labourers. For instance, in January 2005, the Ministry of Labour and Social Security initiated a project called “Spring Breeze Movement”, which demands urban employment services to be more inclusive and to provide services for migrant labourers.

Ensuring fair treatment of migrant workers

In September 2002, the central government once again emphasized the importance of providing fair conditions for rural migrants (New China News Agency, 4 September 2002). In January 2003, the State Council Office’s No. 1 Document brought together in a unified framework the various elements of the earlier policies discussed above. The comprehensive nature of the document makes it by far the most important policy statement of the central authorities in this area. More concretely, the 2003 Document No. 1 of the State Council Office entails the following:

- Abolishing any excessive and unfair restrictions on rural labourers seeking either temporary or permanent employment in urban areas.
- Ensuring that proper legal procedures are applied when employing rural labourers, including proper work contracts and the timely payment of wages.
- Improving the working and living conditions for rural migrant labourers, especially women, including healthcare, safety at work and social security.
- Providing skills training and information on applicable laws and regulations for rural migrants, on a voluntary basis and at a reasonable fee.
- Providing access to education for the children of migrant workers similar to that for children of urban residents.
- Enhancing the proper management of migrant populations, including family planning, education for children, employment, healthcare and legal aid.

Providing social services and insurance for migrant workers

Pursuant to the 2003 Document No. 1 of the State Council, the central ministries have, sometimes jointly, promulgated a series of policies and initiated projects to provide social services and insurances for migrant workers:

- In September 2003, the State Council promulgated The National Plan of Training Rural Migrants in 2003-2010, which was jointly drafted by six ministries, including MOA, MOLSS, MOE, MOST, MOC, and MOF, to provide hundreds of millions of migrant workers with introductory training, such as vocational training and skill training programmes (e.g. information on applicable legal standards and regulations, healthcare, job-seeking skills). In March 2004, the MOA launched the “Sunshine Project” as part of the national plan to train and instruct new rural migrants in the sending areas, especially the identified poor areas.
- In September 2003, the State Council promulgated a document to improve basic education services for the children of migrants in cities, which was jointly drafted by six related ministries. The document specified that urban governments and their public schools must be responsible for the education of migrants’ children.
- Also in September 2003, the MOLSS and MOC jointly issued a notice to “Solve the Problem of Delayed Wages of Migrant Workers in the Construction Industry”. Again in September 2004, the two ministries issued another document creating an institutional arrangement for the payment of migrant construction workers, entitled “Provisional Management Measures on Migrant Workers’ Payment in the Construction Industry”.
- In January 2004, the Ministry of Health issued a document to improve health protection, control the incidence of and improve the diagnosis and treatment of vocational illnesses among migrant workers.
- In June 2004, the MOLSS mandated employers and enterprises to take out work-related injury and accident insurance for migrant workers, especially those in high-risk industries, such as construction and mining.
- Premier Wen’s Government Work Report, released on 5 March 2005, stipulated that migrant labourers’ salaries cannot be delayed, and that payment can be increased without decreasing efficiency.
- New Paradigm and Priority for Rural Development. In 2003, the central government launched a policy of “New Development Paradigm”, which emphasized a more balanced, comprehensive and sustainable development.
- The new paradigm calls for balanced future developments, especially regarding the gaps between rural and urban, and eastern and western regions. In the beginning of 2005, the central authorities prioritized the significance of establishing a harmonious society, and attached much more importance to social justice and social inclusion for different social groups.

- In 2004 the CPC and State Council No. 1 Document stated the priority of rural development and the increase of farmers' income. The 2005 No. 1 Document focuses on the improvement of agricultural production and the promotion of rural development. These priorities have been followed up on through a series of concrete measures.
- China's Premier Wen Jiabao stressed recently in his Government Work Report that the "rural problem in three dimensions" is still the top priority of the government in 2005. The report announced that the agricultural tax will be eliminated completely as of 2006, and that as of 2005, students in compulsory education will not have to pay for their textbooks and other fees in counties identified as poor. As of 2007 this policy is to be implemented across the whole country.

5. INTERVENTION IN SUPPORT OF MIGRANTS: GOOD PRACTICES

International organizations

International organizations have intervened in rural-urban labour migration since the mid-1990s. Most of them launched development projects in cooperation with local partners, to provide financial support for local actors, including local NGOs and non-political organizations (NPOs),¹⁰ the government and private sector. They have indeed played a significant role in promoting local development and influencing government policies. UNESCO and its projects are a case in point.

UNESCO and its project "Together with Migrants"

In 2002, UNESCO, jointly with Chinese Academy of Social Sciences, launched a six-year project on *Urban Poverty Reduction among Young Migrants* (renamed as *Together with Migrants* in 2003). Eight pilot projects were selected across the country to cope with the issue of internal migration in different situations. Of the pilot sites, four were located in western China (Kunming, Yunnan; Diqing, Yunnan; Chengdu, Sichuan; Chifeng, Inner Mongolia) and another four in eastern China (Beijing; Shanghai; Dalian, Liaoning; Zhuolu, Hebei). These pilot sites can be categorized respectively as sending and receiving areas, and as small, medium-sized and mega cities/prefectures. The aims of the project can be stated as follows:

- Considering the policy gap regarding rural and urban poverty reduction, the main aim of the project is to reduce poverty among young rural migrants in cities. Poverty here is understood not only in terms of income, but also social inclusion. The benefits for migrants would include skills training, information sharing, help in the building of social networks and the like.
- The project aims to mobilize and integrate all available resources, and has established a working partnership involving social science researchers, local authorities, NGOs and other aid agencies, local officials and policy makers at higher levels.
- The project seeks to explore alternatives to migration and local development; for instance, network building between sending and receiving areas is a main concern of the pilot projects

in Chifeng of Inner Mogolia and Kunming of Yunnan. Moreover, a nationwide working partnership has been established between all pilot sites.

- The project has attracted much attention from local governments, and has, to some extent, already had positive impacts on local development and related policies.

Generally speaking, the project has linked migration and development between rural and urban areas, western-sending and eastern-receiving areas, bridged the government policy gap concerning rural and urban poverty reduction, explored alternative development strategies in the local contexts, especially in regard to rural labour migration.

Local NGOs

In the Chinese context two types of local NGOs are concerned with internal migration. One type is grassroots and community-based, and seeks financial and public support from, e.g. international donors, the media and other interested parties, to enable them to work directly with migrant labourers. The other consists of mass organization and social actors, such as, e.g. women's federations, trade unions, voluntary organizations and associations, which, on the one hand, maintain a close relationship with the government and, on the other, enjoy a certain latitude in their routine work and project activities. To some extent, they act as intermediaries between the government and civil society.

Grassroots and community-based organizations

In the mid-1990s individuals, representatives of the private sector or migrants themselves established NGOs concerned with migrants and related issues. Though no detailed statistics are available, their numbers have been estimated at around 30 to 50 (Han Jialing and Zhan Shaohua, 2005).

The following examples are selected for a brief introduction.

1. Panyu Organization of Legal Services for Migrants

This voluntary agency was created in 1998 by a lawyer and a migrant worker and is situated in Fanyu District of Guangzhou city, Guangdong Province. It provides legal services for rural migrants working in the Zhujiang Delta that is in the south-east coastal areas. Such legal assistance was provided free of charge when the organization received financial support from an international donor in 2002. Since then, some 5,000 migrant workers have been able to benefit from these services. The organization's main activities include:

- The provision of legal assistance to migrants involved in a legal dispute.
- The sharing of information and knowledge among migrant workers.
- A hotline has been established for legal consultations. Lawyers are regularly invited to speak to migrant workers. Sometimes missions are sent out to factories to offer legal services to migrant workers there.
- Training sessions for migrant workers to improve their education and skills.

2. **Beijing Youth Art Team for Migrant Workers**

In May 2002, several young migrants organized a singers' group in Beijing and performed free of charge for migrants working on construction sites and living in the city's suburbs. After receiving financial assistance from some international organizations, such as Hong Kong Oxfam, the group was able to expand its range of services for migrants. For instance, in cooperation with a primary school and some neighbourhood committees, they can now provide migrants with training sessions, discussions, libraries, newsletters, lectures by experts, consultation activities and more. Owing to their success, the team has received much attention from the public, the media and even the Beijing authorities.

3. **Women's Federation**

The Women's Federation (WF) is a Chinese NPO established in March 1949, under the Chinese Communist Party. The network is vertically structured ranging from village to national level, and spans the entire country. WFs aim at improving the social status and capacity of women, protecting their rights and advocates gender equality. WFs have full-time staff at all levels and are partly financed by the local governments. Relative to government agencies, WFs have much less political power, but enjoy greater flexibility in their activities. Many WFs have put the provision of services to female migrant workers on their agendas.

- **All-China Women's Federation (ACWF)**

ACWF is situated at the top of WF system. Regarding skills training for female migrants provided by its constituents, ACWF has approved and praised local WF initiatives to provide services for female migrants.

- **WF activities in sending areas**

Some local WFs began to train prospective women migrants and help them to move to cities and other economically more advanced areas in the late 1990s. The approach of training and sending migrants has been used as a strategy to reduce surplus rural labour and alleviate local poverty in many underdeveloped areas, including western areas, such as Shaanxi, Sichuan and Inner Mongolia. Some WFs, such as Inner Mongolia's Chifeng WF and Sichuan's Jintang WF, have explored ways of protecting and assisting their female migrants after they arrive in the receiving areas.

- **WF activities in receiving areas**

The growing interest in labour migration in China generally, has caused the WFs to also expand their concern and services for women migrants. They established many supporting organizations for female migrants in areas of destination, such as the Pozitsee WF, and the Kunming WF. The WF in Guangdong, the largest and main receiving province, has provided training sessions and protection for female migrants by organizing law courses and increasing public awareness, as well as through consultations.

6. KEY ISSUES

In order to better appreciate the relevance of internal migration in China it should be seen as part of China's overall development strategy. China needs an integrated development strategy that

includes a viable and prosperous countryside as one of its key objectives. Migration can play an important positive role in the realization of this objective.

In the Spring of 2003, the central government introduced a new development paradigm striving for more comprehensive, more balanced and more sustainable development. Under the new paradigm, what seriously challenges us is how to explore a set of practical policy alternatives and strategies most appropriate for the most populated, resources-constrained among the world's developing countries. Internal migration can be focused on and taken up as one of the most important strategies towards achieving important economic and social breakthroughs.

“The rural problem in three dimensions”

“The rural problem in three dimensions” (rural economy, rural community, and rural residents) has been a long-standing concern in China. However, until recently the focus was on the rural economy, especially grain production, but, until recently, other aspects of the rural problem in three dimensions had been largely ignored, such as lower prices for agricultural products, the low income of rural residents, the decline of rural communities, and so on. In order to mitigate these problems, many scholars propose rapid urbanization. However, the rapid expansion of urban areas has been accompanied by the emergence in the cities' suburbs of large numbers of landless and jobless rural migrants (Ru Xin et al., 2004). Therefore, any scheme that aims to urbanize several hundreds of millions of rural people within 10 to 20 years are met with justified doubts and criticism (Pan Wei, 2004). It is more realistic to acknowledge that a huge number of people will continue to live and work in rural areas, though not necessarily in agriculture, and that rural development should, therefore, be given more serious consideration. In 2004 and 2005, the Documents of the State Council focused on the rural economy and farmers' income. Premier Wen's Government Work Report in March 2005 stressed that the issue of “the rural problem in three dimensions” was still the priority concern at all levels of government work. However, a comprehensive strategy for sustainable rural development and to deal with such issues as poverty reduction, labour migration, public health and basic education, local non-farm activities and gradual urbanization, regional disparities, village elections or grass-roots participation, local governance or community rebuilding, to refer to only some of the most pressing issues, still remains to be explored.

Unemployment and underemployment

After many years of research and discussions, researchers and policy makers have now arrived at a consensus that one of the priorities for China's future development in the next one to two decades is to tackle the problem of employment, rather than focusing only on GDP growth. The current policy focus is on balancing GDP growth and employment, including part-time or temporary work (*People's Daily*, 13 September 2002). An overlapping set of dilemmas has to be confronted if the problem of unemployment/underemployment is to be successfully addressed:

- Total labour force vs. structural constraints. Not only are there too many labourers, but also the supply of labour does not match the structural changes in the market. Many workers,

particularly those having been laid off, do not have the relevant experiences and skills in a market where old and labour-intensive sectors are declining and often new technology – or capital-intensive sectors are emerging.

- The urban unemployed vs. rural underemployed (the so-called “surplus labourers”). Rural surplus labour is faced with a new challenge: competition with the urban unemployed whose numbers have grown rapidly due to massive redundancies in state-owned enterprises.
- Elderly labourers vs. young new labour market entrants. Over the coming five years, there will be about 23 million new labour market entrants annually¹¹ who will need to find jobs in urban areas, where urban industries are expected to be able to absorb only 8 million, leaving almost 15 million to face the high possibility of unemployment per year.

Many researchers and policy makers now argue that it is still too early to establish a general social security and social welfare system for the whole country and favour job creation strategies – including temporary and seasonal work – even if these only command low wages and low levels of welfare and social security.

***Hukou* system reform**

Most rural migrant labourers in cities still have their rural *Hukou*. That is why they are called *Nong Min Gong* (Peasant Workers) in Chinese. Indeed, their *Hukou* distinguishes them from urban residents and to a certain degree excludes them from urban social welfare systems, including social insurance, public relief, public healthcare services, etc., even though sometimes it is they themselves who choose not to participate in these urban “games” due to their low salaries and informal employment. However, *Hukou* system has remained a main target for critics. Others argue that *Hukou* system has been modified greatly since 1984 when rural labourers were officially permitted to seek non-agricultural jobs and run businesses in cities. Moreover, the *Hukou* system has some positive effects also, such as protecting farmers and migrants. For example, with a rural *Hukou* rural labourers can legally have a piece of arable land, which is a source of their livelihood and able to reduce their risks in the urban labour market. It is also a sort of safety net for rural residents by protecting them from being landless, jobless and homeless.

Policy gap in poverty reduction

There still is an important policy gap as far as rural-urban migration and poverty reduction are concerned. The current poverty reduction programmes are designed to cover two types of poor: (a) about 30 million rural people living below the poverty line, and (b) the urban poor with permanent urban residence status who have either been made redundant by SOEs, or retired on low pensions, or the elderly with health problems, totalling about another 30 million. The rural and urban poor are dealt with under separate programme schemes, administered by different agencies: the National Poverty Alleviation Office is basically responsible for poverty reduction in rural areas, while the Ministry of Labour and Social Security is responsible for those in urban areas.¹² The absence of any linkages between them not only leads to resource misallocation, but

also to conflicts of interest. Furthermore, both programmes are mainly concerned with the income of the poor, and less with other forms of deprivation or disadvantage, with neither of them covering the millions of rural migrants.

7. CHALLENGES AND POLICY CONSIDERATIONS

Challenges

If we can agree that, first, it is impossible to stop rural-urban labour migration; second, that the government should not continue to earn resources from rural areas and rural people for urban capital accumulation, as has been the case for decades and, third, that it may be too early and risky to provide full subsidies and welfare to rural residents from urban sectors (cf. Lin Yifu, 2003), then the government should consider the possibilities of:

- a) **Either** abolishing completely the *Hukou* system as soon as possible to give all people equal rights to apply for urban residence permits, **or** improving the *Hukou* system gradually to diminish the risks involved for both rural and urban people, as well as for development and sustainability.
- b) **Either** privatizing the arable land at village level and introducing large-scale farming methods that lead to higher productivity, **or** entering into longer and more flexible contractual arrangements with rural households at village level, while ensuring that their plot of land continues to function as a safety net, or social security, for rural households whose main bread earners may have left the village for off-farm activities for some years.
- c) **Either** continuing the urban-centred and elitist education system which, while providing excellent opportunities for some talented children in villages, also worsens the “brain drain” in rural areas, **or** modifying it to create a better balanced system which also provides training in appropriate technologies and skills useful at the local level for young rural labourers for whom higher education is impossible or strewn with great difficulties.

Policy considerations

First, the government should consider the development of comprehensive and inclusive programmes for rural-urban migration to bring rural-urban relationships into a mutually beneficial balance. In order to do so, it is necessary for officials at various levels to gain positive experiences and, to a certain extent even more important, learn from the negative lessons of urbanization in other countries, both developed and developing. The existing range of local government experiences with the enlisting of rural-urban migration to advance the development in the sending areas in China itself and the lessons to be learnt should be better taken account of.

Second, the government should establish more practical policies regarding the process of urbanization to ensure that cities do not simply continue to absorb more rural migrants beyond their capacities, but rather ensure that urban residents, whether local or migrants, have access to

adequate employment opportunities and to social support and protection and public services, to avoid further growth and aggravation of urban poverty and slums.

Third, the government should encourage a gradual and thus more realistic strategy of urbanization that would allow rural labourers to look for non-agricultural working opportunities, often involving different kinds of off-farm activities, in urban areas and to become urban residents, including in nearby local townships and county towns, and to have the opportunity wherever they live and work to integrate into the local community. A main strategic thrust would aim for the balancing, instead of separating rural and urban development. Apparently such a strategy would require at least two preconditions: (1) to promote local development and allow people to find off-farm employment opportunities in nearby townships or cities, and (2) to improve rural labourers' non-agricultural skills to expand their possibilities of finding work in various labour market segments.

Fourth, it is important for local governmental officials to realize, and for higher authorities to acknowledge that poverty is a multi-dimensional phenomenon with both economic and social aspects in absolute and relative terms. Because of local polarizations within a community, it is not always meaningful to use averages as proxies for general situations. At the same time, an increase in income will not always necessarily improve a person's access to rights, information and services. Rural labour migrants may earn more cash than they would otherwise have, but if they have little social or legal protection and, in addition, have to shoulder burdens and responsibilities in their home village, they are often in a much worse position than urban residents.

Finally, before the onset of the reforms some real advances were made regarding gender equality in rural China. It is significant to rethink these gains in order to work out the new strategies aimed at narrowing the rural-urban, rich-poor and eastern-western gaps, and to minimize the gap between men and women. It is an ironic and embarrassing situation if, along with economic growth, gender equality were to deteriorate.

ENDNOTES

1. In this paper, internal migration primarily refers to the voluntary movement of rural labourers who leave their home villages for urban areas (ranging from townships, county towns and other small cities within or outside the province of original residence, provincial capitals and major cities), seeking non-agricultural work opportunities, usually temporary or seasonal, at least three months a year, sometimes together with their family members.
2. The statistics were released by the Commission of Population and Family Planning in 2004. Please see <http://www.china.org.cn/chinese/2004/Nov/694075.htm>.
3. The statistics were released by the Ministry of Agriculture in 2004. Please see: http://www.news.xinhuanet.com/newscenter/2004-05/16/content_1472033.htm.
4. Agriculture in China includes planting, forestry, animal husbandry, and fishery.
5. In comparison with rural to urban migration, rural to rural migration is often neglected by most policy makers and scholars in China. But it is worth considering not only because there are about 20-30 million migrants moving into rural areas, but also because alternative strategies can be explored from different experiences and perspectives (Wang Xiaoyi, 2002).
6. However, migration occurs not only because of economic disparities, but also for social and cultural reasons. People are more likely to migrate where they can gain more social or welfare support and enjoy more services and infrastructure, provided they integrate there. For example, rural migrants of Inner Mongolia are more inclined to flow into the nearest and culturally related places: in 2000, Liaoning Province received 41.35 per cent of all migrants of Inner Mongolia, while Hebei received 26.92 per cent, Beijing 13.46 per cent, Tianjing 8.65 per cent and Jilin 5.77 per cent, whereas Zhujiang Delta and Yangtze Delta, the most prosperous economic zones with numerous employment opportunities, had absorbed much less (NBS and MOLSS, 2001).
7. Some remittances have indeed been used for children's education. But, once they have gained higher education, such as college students from rural areas, most choose not to stay in rural areas but to go to cities and more developed areas.
8. Amongst 400,000 migrant labourers of Wuwei County, 10,000 had returned and created around 1,000 enterprises in 2004. In Bangpu Prefecture of Anhui Province, about 4,000 migrant labourers returned and created some 1,000 enterprises, employing around 20,000 local rural labourers. Please see: http://www.agri.gov.cn/llzy/t20050216_319923.htm, and http://www.agri.gov.cn/llzy/t20050304_330027.htm.
9. In 2003, the central government modified the policy concerning beggars and wandering people in cities. Under the new policy, the municipal authorities, especially of mega cities, cannot send migrant labourers back to their home villages by identifying them as beggars.
10. NPO: Non Political Organizations is a Chinese official appellation.
11. Some researches show the number of new entrants at around 17 million (see Zhang Juwei and Wu Yaowu, 2004).
12. The Ministry of Civil Affairs looks after a third group, the disabled and abandoned children.

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