

Commentary on Migration and Development in China: 30 Years of Experience

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DFID Final Roundtable on China's 30 Years of Reform

March 23, 2009

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As part of the British Department for International Development's seminar series reflecting on China's 30 years of development experience, the SSRC hosted a workshop on internal migration and development in collaboration with the United Nations Development Program. This commentary provides a summary of the presentations and discussion at the workshop, highlighting points of consensus and disagreement.

The meeting addressed three key questions:

- 1) ***The impact of migration on development.*** How well are we able to assess the impact of migration on development in China, not only in terms of its immediate contribution to economic growth and poverty alleviation, but also in terms of its longer run implications for social stratification and social relations? Which social groups or regions have benefited most from migration and which have been negatively affected? What new challenges do these outcomes present for development policy?
- 2) ***The role of policy.*** To the extent that internal migration has been a positive factor in China's development over the last three decades, how have development policy and more specific policies towards migrants contributed to this? What might have been done differently?
- 3) ***International relevance.*** Is China's experience relevant to other countries, or are the outcomes we see largely attributable to demographic, institutional and other conditions that do not exist elsewhere and/or to the opportunities and constraints presented by broader economic and social policy? Can anything be learned from China's experience about how to maximize the benefits and reduce the social costs of migration?

Three experts on internal migration gave presentations: Professor Cai Fang, of the Institute of Population and Labor Economics at the Chinese Academy of Social Sciences, gave a paper titled, "The Consistency of China's Migration Policy"; Professor Li Shi, of Beijing Normal University, spoke on "Migration and Social Stratification"; And Professor Ye Jingzhong, of the College of Humanities and Development of the China Agricultural University, discussed "Migration and Rural Communities."

The relationship between migration and development. Informed by different questions and methods, the presentations emphasized different aspects of the

impact of migration and development. Cai Fang's paper focused on positive macro-economic impacts, pointing out that labor migration has enabled the reallocation of labor to more productive economic sectors, and contributed an estimated 21% to China's GDP growth between 1978 and 1998. Individual migrants and their families have also benefited from increased income, contributing to poverty reduction in the countryside. And, over the long term, migration contributes to reducing the gap between rural and urban incomes. For all these reasons, Cai Fang describes China's migration as a 'win-win migration.'

While not disagreeing about the macro-level impacts of migration, Li Shi's paper focused on the circumstances of migrant workers. His data, from a panel survey completed in 2006, shows that migrants are still poor compared to urban residents. They are largely restricted to low-income and informal sectors with little mobility and, although wages have risen in recent years, they are well below those of urban workers, especially if migrants' longer working hours are considered. Because many are saving to support families back home, their consumption levels are very low. Migrants also have inferior living conditions, lack access to social services, and, although social discrimination has lessened, they have little capacity to protect their rights as workers and citizens. This situation, and the inadequate provision for migrants' children, presents the risk that they will come to constitute a new urban poor.

Ye Jingzhong's paper focused not on the economic but on the social costs of migration. Large scale, long term labor migration has led to the break up of rural households and the problem of the 'left behind' women, children and elderly. Effectively, a whole generation is sacrificing normal family life, and his research finds indications that this is resulting in psychological and social problems among rural left behind populations that need to be addressed by policy.

The role of policy. In discussing the effectiveness of China's policy on internal migration, Cai Fang argued that although many observers describe it as inconsistent in its progress towards loosening restrictions on mobility and providing greater security for migrants, this is not the case. Rather, as part of overall reform efforts to improve living standards, migration policy has consistently aimed to increase mobility in order to reallocate labor to more productive sectors and reduce the rural-urban gap. However, policy has been determined not by a blueprint but by ongoing analysis of and response to opportunities and constraints. Deliberate efforts have been made to balance competing interests, primarily of migrants and urban residents, and of sending and receiving places, in order to build consensus, maintain stability, and achieve fairness. Therefore, the specific approaches used have been

eclectic and the pace of policy has varied according to what society could tolerate. The state has acted as judge of and mediator between interests, and, although reform remains incomplete, it has done the maximum possible to increase mobility and improve the situation of migrants in context of changing circumstances.

While the other presenters and participants did not disagree that the overall trend of policy has been toward relaxing controls on mobility, many did question the fairness of the distribution of the costs of migration and the focus on economic growth rather than equity and social impacts. They pointed out that by maintaining the household registration system and excluding migrants from benefits and services provided to urban residents, government policy has obliged rural households to bear the costs of migration, including the disruption of families and communities, and ill-health due to poor working conditions. They emphasized that migrants are still marginalized in cities despite the shift toward more permanent residence, continuing to earn lower wages, lack access to services, and facing limited opportunities for their children in terms of education and employment. In the view of many participants, policy has not done enough to address these problems and support the integration of migrants into urban life.

These differences of interpretation stem at least partly from the different ways in which participants frame the issue. For example, Cai Fang's discussion of interest groups focuses on migrants in relation to employees in State Owned Enterprises, and points out that these workers are not a privileged elite but, like migrants, a low-income group whose interests the state should rightly consider. Few would disagree with this. But other groups have also been participants in the process of China's rapid urbanization and industrialization, including farmers who have lost land due to the expansion of cities, and employers who have benefited from migrants' lack of bargaining power and representation. Considering these groups would lead to a different analysis of the distribution of the costs of migration.

Another factor which clearly shaped participants' assessment of the costs and benefits of migration was their yardstick of comparison. Cai Fang and his colleague Wang Dewen focused on the gains migrants have made over their pre-migration income and in comparison to non-migrant rural households, while Li Shi concentrated on their status in relation to urban residents. Which measure is appropriate depends in part upon the duration of migration and on whether migrants return or settle permanently in cities. If the latter, then Li Shi's concern that they may come to form a new urban poor seems well founded. But this discussion also raises questions about what a realistic goal would be, how much social mobility is feasible and what is a

reasonable time frame for achieving it?

A related issue is how the social impacts of migration should be addressed. If increases in income over the short term are gained at the expense of disruption in family relationships that may result in long term problems of personal emotional development and social cohesion, how should these be assessed in practical and moral terms?

In the context of the need to take a longer term perspective, several participants pointed out that in addition to considering the circumstances of first generation migrants, we should be paying more attention to the opportunities and trajectories of the second generation, especially those who are born in cities and who will compare themselves to urban residents.

Several aspects of the discussion raised interesting questions about the role of the state, especially in relation to representation. Cai Fang argued that the state has consistently assessed the needs of different social groups and adjusted policy to ensure that development moves forward in a balanced way, avoiding dislocations that could result in serious opposition to reform. He and others also claimed that migrants themselves are largely satisfied with the rewards of migration and do not expect to receive the same benefits as urban workers. But to what extent is the state able to accurately identify and fairly represent different interests, especially those of vulnerable groups such as migrant workers, who have no channels for the formal expression of their interests, and who are by no means a homogeneous population?

New challenges. The framework in which these issues are being considered is now changing with the economic crisis. The impact in China has been hardest on sectors in which migrants are concentrated, including manufacturing, construction, and services. It is estimated that as many as 20 million people have lost their jobs, with many forced to return to the countryside. This raises new issues, including the re-integration of migrants and children into rural area, and the possible role of migrants in the transfer of industry away from coastal areas and the shift away from reliance on an export driven economic strategy. With higher unemployment in urban areas and tighter municipal budgets, migrants who are able to remain in cities, may be pushed back down the mobility ladder and face greater social discrimination. As Hou Xin'an pointed out, the crisis has also highlighted the lack of fit between social policy provisions and the needs of migrants. Little support is available for the re-integration of return migrants and especially their children, who have no experience with rural life and will likely have difficulty adjusting.

In response the government has introduced certain short term humanitarian efforts, including relief allowances, grain subsidies, and the inclusion of

migrants in some urban unemployment schemes. Medium-term initiatives are focusing on human capital development and asset building through training programs and flexible credit mechanisms. Longer term responses seek to use the current crisis as an opportunity for moving forward with social policy reform, including the development of safety nets and the integration of rural and urban social services. Cai Fang and several other participants also expressed the hope that China will be able to harness return migration to broader policy that aims to shift from export-based to domestically-driven growth strategy, more even regional development, and reduction of the rural-urban gap in income and access to social services. But while migrants obviously have skills and experience to contribute, numerous challenges remain. These include creating attractive conditions for industry in the interior, improving the human capital of former migrant workers, and ensuring that the transfer does not entail merely the shift of low capital, polluting industries but more sustainable development.

Learning from China. While the meeting was very successful in highlighting the main points of consensus and debate regarding China's experience with internal migration and its relationship with development and development policy, participants were less sure what other countries might learn from this experience.

Cai Fang emphasized that the nature of reform – a flexible approach in pursuit of a clear goal, rather than a rigid blueprint, and the constant balancing of interests -- is the main thing that other countries can learn from China. But particular conditions will clearly be different. In China's case factors that have made possible a relatively positive relationship between migration and development include the ability to develop an export-oriented manufacturing sector that provided employment opportunities for migrants, (concurrent urbanization and industrialization), which has not occurred in many other developing countries. This in turn required access both to investment capital and to a pool of healthy, relatively educated labor which was present in China due to investment in rural education and health care in the pre-reform era. The residence registration system made it possible to manage pace and scale of population flows, avoiding large scale unemployment in urban areas during slow periods and the development of urban slums, at least on the scale of some other countries. This, and the ability to gradually introduce policies more positive toward migrant workers has in turn depended on the existence of a strong state, able to channel resources, enforce control, and implement policy. Finally, as Ye Jingzhong pointed out, large scale, long term migration has also been made possible by families' willingness to care for children and elderly in absence of social services

Despite these differences, as Hou Xin'an pointed out, it is arguable that there are many specific ways that other countries can learn from China's experience. In the last eight or nine years in particular, as the government has sought to extend healthcare, education and other social policy coverage to migrants, it has initiated a large number of pilot programs and studies on issues that face many other countries, including how to provide skills training to migrants (Chinese programs are now considerably more effective and more linked to actual labor market needs), and different approaches to incorporating migrants into healthcare and social security programs and providing education for migrant children. Many of these have great relevance for other countries.

China can also learn from other countries' experience not only with internal but also with international migrants. Although internal and international migration are generally treated as two separate fields of research and policy, the two processes have much in common in terms of their potential impacts on labor markets and on migrant sending communities, and they present similar challenges in terms of the economic, social and political integration of long-term migrants, including the separation of families and provision for the second generation. The long experience of the North America, Australia, and many European countries with international migration could be of considerable value to China.

Given the potential for fruitful comparison along these lines, participants agreed that future discussion should build on this workshop by including researchers and policy makers from other regions and countries and by linking issues of internal and international migration.