Questions and Discussion

Transcript of the SSRC-DFID-UNDP Seminar on Migration and Development: Reflecting on 30 Years of Policy in China.

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Jennifer Holdaway:
Thank you. These were very interesting and informative presentations. I'm sure you must have a lot of questions. We will now take a 10-minute break, and then we'll continue the discussion.

Jennifer Holdaway: Now we'll have the question and answer period. Does any one have a question for the three experts?

Li Shi:
Many people asked me during the break about the data in my talk. I'd like to explain briefly about our five-year longitudinal household survey. In 2008, we conducted the first round of the survey, mostly concentrating on issues related to employment, income and consumption for year of 2007 for migrant workers. Some parts were conducted from May to June, therefore, some of the information in there is from 2008 and some from 2007. This sample was based on eight provinces across the country, i.e. the four coastal provinces who import the most migrant workers, plus the four provinces with the largest outflow of migrant workers in the central and western regions. We included eight provinces and 15 cities, covering 5,000 migrant workers households, 5,000 urban households, and 8,000 rural households. So the total size of the sample is 18,000 households.

This survey is an ongoing process, because the second round of the survey will be conducted after the Spring Festival. It is quite difficult to do the second round of the survey since we know some of the migrant workers have returned home, so the rate of follow up will be relatively low. Even so, we think it will be very interesting. From the year-two survey we will be able to see the impact of the financial crisis on migrant workers in the areas of employment, income, wages, etc. We’ve received financial support from Ford Foundation, Australian universities and the German Labor Research Institute. Within China, Professor Cai and other scholars have participated in research on this subject. In our next step, we’ll carry out a thorough and extensive analysis on the information gathered in the first round of the survey, probably next May and June. We will then give you a detailed report.
Jennifer Holdaway:
If there are no specific questions, I know some of you are also engaged in research on migration from different perspectives and you may like to share with us some of your findings or opinions. It does not necessarily have to take the form of a question.

Wu Peng (UNDP):
Hello, everyone. I am a project manager with UNDP, and I’d like to share some grassroots opinions and issues with you. Just now all of us were discussing the issue of migrant workers, and I am wondering whether it is feasible to make certain industries mobile. For example, we have completed a project in Chongqing, in which the owner of a real estate business took out a loan to develop an orange growing business. He turned orange production into a complete industry, from orange production to juice production, and basically reached a sustainable breakeven point. After that, he developed a real estate business around the orange production to develop tourism, thus integrating the interests of the primary, secondary and tertiary industries and generating more development opportunities for farmers. At the same time, it created a sort of foundation for integrated urban-rural development. Therefore, I am wondering whether it is possible for us to make these industries mobile in the way that migrant workers are, and to integrate the two. This will create more space for migrant workers to develop.

Also, we have come across a very important issue and challenge in our research at the grassroots level which is how to provide training to migrant workers. For example, because of the transfer of land and the requisitioning of land, many migrants are completely separated from their land. But providing them with training is a big problem. For example, there was a welding training program with over 70 farmer participants but only 2-3 of them actually learned the basic skills and almost none of them found work. That shows that the industrial transition which a lot of people are talking about will not be realized without the transfer of human resources. The improvement of migrant workers’ quality, developing their capacity and their ability to make that transition are very important. I will be very pleased to hear opinions and guidance from the experts.

Wang Dewen (Chinese Academy of Social Sciences):
I have two questions for Professor. Li Shi. Professor Li’s research has provided us with brand-new information, particularly the comparison between the current migrant workers and urban workers, which may be very useful for improving the welfare situation of migrant workers’ and helping us to make proper judgments. Now I’d like to ask a question about the poverty
situation of migrant workers. Prof. Li also mentioned it is very difficult to assess this because we do not have a standard to measure against. For this issue I think we may also consider the point that Professor Cai Fang made—that migrant workers are willing to migrate. If a comparison is made with urban residents in terms of income, we may see that both their income and expenditures are relatively low. But if we put them back on the land, they still want to leave. So (migration) still leads to an improvement in their welfare. But if you compare the rural with urban, the situation will be different. Therefore, it depends on how you see the issue. In other words, according to what you said just now, the percentage of migrants who earn under several hundred yuan or just above 500 Yuan is already very high. But what if we look beyond that. If they remain in rural areas and don’t migrate, their income might be even lower? So, apart from the comparison between rural and urban areas, we need to consider the overall change in their welfare.

In addition, we are very interested in your future follow-up research, because we also conducted a very interesting study two years ago, mainly focused on the income situation. This study was not focused on migrant workers, but on rural clubs in Guangdong. We discovered that the total volume of migration among low income people is relatively larger than that of people with higher income, which means we have a better market situation. It is the same with the income of farmers. Now their income is still relatively low, but with the improvement of conditions generally, their conditions will also be improved. That is why we can’t say that just because there is a proportional difference, the situation is very serious. As long as the labor market is still functioning properly, there will be channels and a trend towards an increase in income. So, this kind of poverty may not long-term but in fact temporary. This is my opinion on this issue.

Another question, I’d like to know whether it is possible for Professor Li Shi to provide more information about training. In the information related to training, I noticed that migrant workers accounted for about 25% and urban worker 36%. I don’t know how you defined this in your survey questionnaire. Because I have been following up on the work of Professor Cai Fang, using information from Ministry of Labor. The Ministry of Labor has been doing a survey every year before the Spring Festival on returned migrant workers, dividing them into three types: people who are just given a short talk and then sent off to work, those who have short-term training for 15 days to two months, and those who do relatively formal training. We did some fairly complicated comparative analysis and found that even some very simple training is helpful for migrant workers, but it has no effect in terms of increasing wages. Both short-term and formal training did significantly improve the technical quality of the labor force. And this relates to the
poverty issue. If the training we provide to migrant workers can bring good results, this means migrant workers may have a way to move into higher income occupations, and change their situation in the future, even if they get a low income at present.

So, what I am concerned about is how you defined the training, because the answers from migrant workers differ quite a lot. For example, if you ask someone if he had any training, he would say yes. But it depends how you measure it. These are my two questions.

**Jennifer Holdaway:**
Now we already have some questions on the table so let’s hear responses from the speakers.

**Li Shi:**
I think these are good questions. It is indeed very difficult to define poverty, and it’s hard to assess the objective existence of poverty among migrant workers. The key point is from which perspective you examine the issue. Is it a matter of income levels or consumption levels or social welfare status, including social security? This is related to a number of methodological issues, and because of that, we have not done much research on this. How to define poverty among migrant workers? Since they live in urban areas, I think the definition should involve a comparison with the situation of urban workers. Whether it is comparable with rural areas or not depends on regional considerations.

**Wang Dewen:**
What I mean is that the welfare of migrants is only compared with that of urban workers after they are in urban areas. If they do not migrate and stay in rural areas, their welfare situation might be even worse.

**Li Shi:**
There are two separate issues here. The first is that when they enter urban areas, there is the issue of comparing their living standards with those of the local urban area. The second issue is that we need to see whether after they come to the city migrant workers have made any improvement in income and in other aspects, including social welfare and sanitation. The latter issue, I would say, is a pretty complicated issue. We had an extensive discussion on a number of these issues at the recent meeting in Australia. What is the income situation of migrant workers if they do not migrate? We can see how
big the gap will be with their present income and judge whether they have seen any improvement. Of course, the majority of migrants will have seen a big improvement in their income. But we should not deny that some of those migrant workers are forced to leave. When we say they are forced to leave this does not mean they are forced to do so by other people, but rather due to certain economic pressures, such as earning tuition fees for their children. Their life may be much worse than the life they would have had if they stayed at home. But if they work at home they have no source of cash income. That is why they want to go away to earn money. They say that as soon as their children graduate from university they will stop. In this situation, you can tell their living conditions are not so good, and the only reason for going out to work is for some extra cash income. People with this kind of backgrounds are very common. The reason for their leaving is economic pressure on the family.

In this situation, it becomes very difficult to define poverty. Should you consider their current consumption situation or include the money earned for tuition? It is a question of how you look at the issue. I think this is a question that requires further study, including the issue of income. But if you study the situation of low-income migrants, their income basically fluctuates around the average income level. That means it is very difficult for them to move from the low income bracket to a higher income bracket. Although there is a lot of fluctuation, it is around a low base, while the fluctuation of high income workers tends to remain relatively low, as they have stable jobs and income. Migrant workers, on the other hand, generally do not have stable jobs, and their incomes on the average are relatively low.

On the issue of training, I should say according to our survey data, 25% of migrant workers have received training. This is not a small proportion. In recent years, the government has introduced training programs in rural areas, generally in the form of guidance training, and mainly targeted at new migrants. Migrant workers who already have worked outside for several years do not need this type of training. In this case, with the implementation of this training policy, the rate of training has increased. I think this is great progress, because the rate was extremely low 5-6 years ago.

In terms of definitions, we did not further classify the types of training, whether it is general information or formal training. We should acknowledge that the general training does not have any impact on income.

**Wang Dewen:**
What I mean is that for some migrant workers, the quality of the training is very different. There are some available data that all indicate an increase in
income of 20% (from training), including the data from Ministry of Labor and Ministry of Statistics.

Li Shi:
To certain extent, it is a huge improvement for migrant workers, but the difference is still very large. From the perspective of results, improvement in technical skills may be preferable. The government should strengthen training in this area. And it is also very important to select the proper location for training. For example, instead of conducting training in the sending place, it would be better to choose the receiving place and focus on the local needs of the place and the labor market for the training.

Guan Xinping (Department of Social Work & Social Policy, Nankai University):
I’d like to share a few opinions with you. I think one of the points mentioned just now is very important, that is how to attract industries into rural areas. The migration of Chinese migrant workers is taking place in the context of China’s overall industrialization and urbanization. From the very beginning, we hoped to introduce a small township model that would enable the rural labor force to transfer (out of agriculture) on the spot, but it didn’t happen. Later on, the export-oriented economic model promoted economic growth that brought in investment into urban areas and so the migrant workers followed. This is related to economic conditions and also to policy factors.

This model of economic growth is facing a huge challenge. It has reached its limit and a transition is needed. In talking about a transition, the labor force is still an important driver of China’s economic development. The labor force issue is a huge limitation in eastern coastal and central areas. Now there is a very good opportunity, but the key issue is whether we can create a relatively good investment environment in the rural western and central regions. Therefore, an emphasis should be put on improving the investment environment in the western and central regions, particularly in rural areas, to attract foreign investment, just as we did in the 80’s and 90’s to attract foreign investment to China. I think if we can take opportunity and if the job is done properly it will be helpful to the next stage of our work.

Secondly, I’d like to talk about the migration of migrant workers. In the past 20-30 years. There have been some problems and relatively large impacts, but no really serious problems. We did not have any problems with social disturbances like some other countries. We can say this has something to do with our particular experience or special characteristics. There is another important reason which is the “amphibious” nature of migration in China.
[the fact that most migrant workers do not move into urban areas entirely], which means they do not rely on urban areas in some respects and they have not become completely urban residents. Their lack of reliance on urban areas is one of the characteristics of migration in China. The main purpose of their migration is to seek employment opportunities, rather than welfare benefits. In addition we used to stress within the public management system that regional management should be responsible for local affairs. The public service system has obligations to each individual such that if someone is not able to get [a certain service] in the urban area, he can go home and get it there. There were some other characteristics that guaranteed migrants security, making them less dependent on urban areas for their living conditions and employment.

Another point I’d like to mention is the conception that migrant workers are not entitled to enjoy many rights. This concept holds that migrant workers in urban areas do not enjoy equal rights with the urban residents. This is somewhat the same for some Chinese who go abroad and think they do not enjoy equal rights with foreigners. But in fact they simply do not demand the same rights.

Another issue is the changes in the welfare situation in urban areas. In the past 20-30 years, the welfare level in urban areas has declined. And migrant workers started to go to urban areas right around the time when this decline began. So they do not have high expectations of the welfare system. If the level of welfare provision were high and kept rising in urban areas, but without including them, then there might be some problems. But that is not the case.

The age factor is another issue that affects the welfare expectations of migrant workers. They usually do not have much awareness of these issues, because they believe their goal is to go out and look for a job, earn some money, go back home and build a house and get married.

Another issue is that migrant workers are not organized and lack a sense of organization. In 1982, in certain areas, the local government even failed to organize migrant workers to go away out for work. This situation changed later when migrant workers found their own ways into urban areas in a scattered way. But when they get a job they just tell the boss that they want to earn some money, without making any particular claims.

The combination of all these factors, positive and negative, leads migrant workers to accept this arrangement, until the last minute when they are facing delayed payment of wages. Then they won’t take it anymore. Since they do not have any welfare benefits, they usually do not complain too much.
In fact, our attention to migrant workers began when employers began to default on wages payments. This is a problem that reflects various factors. From the social policy point of view, we have been paying more attention to and protecting the interests and rights of migrant workers since 2000, 2002 and 2003. Now we have moved from protecting migrant workers’ interests and rights to social integration, including developing policies that are inclusive towards migrant workers, in terms of the urban system and culture as well. From the perspective of culture, communities, especially the communities where migrants live, can play an important role in integration.

In addition to this, migrant workers have certain “amphibious” characteristics [they live in both rural and urban areas], so our social policy should also reflect this. We should not always focus our attention on migrant workers working in urban areas, but also on those living in the countryside, because if improvement in the rural public services is made, when migrant workers want to go back home, they may have a better environment there. We should try to avoid the situation where they want to go back home but have nowhere to go. In this case, they will have no way out, but remain in urban areas. Some work needs to be done by us in urban areas and some by authorities in rural areas so that both sides of the issue are considered.

Another issue is related to social security in urban areas. Reform of the social security system is required and it needs to make the system inclusive so that migrant workers will be included. It is not a matter of just opening up the door for migrant workers. This system, which was established in the 90’s, provided old age insurance, but without any coverage for migrant workers, because at that time, migrant workers were not an issue yet. Now, the door is open, but they cannot enter it and even they themselves do not want to enter the system. Our job now is to bring them into the system and modify the system so that it is suitable for them.

We also need to distinguish different types of migrant workers. There are various types of migrant workers, some are long-term, some short-term, some will go back and some will not. When we formulate policies we need consider these various types of situation.

The last point I’d like raise is that we need to consider the next generation of migrant workers. For the second and third generations of migrant workers, their goals, characteristics and motivation, are quite different from that of the older ones. We need to study them as a special subject.

**Han Jialing (Beijing Academy of Social Sciences):**
I’d like make say something here, which relates to the “amphibious” model
mentioned by Professor Guan just now, and which is the long-term model for labor migration. It also relates to the issue of second generation migrants. Actually it may be a two-stage process, and there are new trends emerging which may indicate a change in the “amphibious model. We have been paying attention to the problem of education for children of migrant workers. I have a recent research program that is still in progress. As early as 2000, we started to pay attention to the children of migrant workers at school and now we are still following dozens of children who used to study at schools in Beijing to find out what they are doing and which of them have entered the labor market or have gone back to rural areas. So this is a small sample that we have followed and some of them who were at school in Beijing or were even born in Beijing have already entered the labor market. Therefore, I think this is a new trend. This second generation of the labor force will replace the former “amphibious” model in the next ten years. These second generation will replace the traditional migrant workers and become a new labor force in urban areas.

Now I’d like talk about our observations regarding migrant workers. Here are some of the trends we discovered. The percentage of people growing up or even born in urban areas is increasing. When we conducted a survey at a school for migrant children in 2000, we discovered that 5% of the children were born in urban areas out of a sample of 2,000 people, but in 2005, the findings from a similar survey found that the percentage had gone up to 16.4%. This only refers to those born in urban areas. In fact, many of the children came to urban areas with their parents when they were only 1-2 years old. If these people are also included, then the percentage will be very high, since they spend most of their time in urban areas. Another character is that they basically have no connection with their former communities and do not know how to farm. So it is almost certain that these second generation people cannot return. They are not so familiar with rural life and they don’t have particularly good contact with the rural community.

Another issue is related to the education system of the receiving place in Beijing, which means that there have been a lot of problems for children of migrant workers to have an uninterrupted education. They must go back to [the countryside] to attend middle school, followed by senior high school or professional school. So they face various kinds of difficulties in professional training and continued education. This system also affects their employment opportunities, because if they are at school and still live in urban areas, most of these children of migrant workers find jobs in non-formal sectors and they tend to have a very strong feeling of isolation in terms of their sense of identity in relation to the city. This is the survey we did recently and we hope to do more detailed analysis of these people’s characteristics and the trends that are emerging. This is my reaction to the previous discussion.
Lastly, I have a small question for Professor Ye Jingzhong. You just talked about the issue of left-behind children and left-behind women and elderly, I think you have provided us with some very good points of view. What we’re really concerned about and would like to know, is the question you mentioned, of whether these phenomenon are the result of various existing problems in rural areas or the results of migration. We hope to understand what factors have affected these groups of people. Thank you.

Zheng Zhenzhen (Institute of Population and Labor Economics, CASS):
I’ll continue on that point. Han Jialing has brought up the question I wanted to raise. I think, in studying the issue of people who are left-behind, we need to be clear which problems are the result of the "three rural problems" and which are brought about by migration. From my observation, I found those who migrate out of rural areas are generally those who are more capable in various ways. That is why migration has brought a better life to their families. The most vulnerable groups in rural areas are actually those who don’t have the ability to migrate. This is my impression. Therefore, you may have to distinguish these issues in your samples, because I know you have done quite a complete survey and are able to distinguish which are related to migration problems and which are related to the "three rural problems" in rural areas. This is my suggestion to you. I believe think your research is quite comprehensive, and I wasn’t able to go to the meeting you had at the beginning off the month, so what you have reported may just be a portion of it.

I have another question. I should say I had a pretty high expectation when I first looked at the topic [of your talk], but later I found you have not answered this question.

I attended an international conference in Brussels last year on migration issues, and this issue was also raised at the meeting. There are clear differences between the countries in the North and South, which are similar to the differences between the eastern and western parts of China. Countries in North put as many restrictions as they can on migration, while the countries in the South say migration means development. But I am wondering whether migration will inevitably bring development. If that is the case, can we say a developing country does not need to do anything but will just develop by exporting its people? I ’m wondering if we can’t also try to answer to this question. So your topic is rural communities. But if a rural family becomes better off, does that mean the whole community will also get developed? The relationship may not be that simple. I don’t know whether
you have answers from your survey to the question of how migration in China may help boost rural community development. In fact, the migration issue is also a question in the context of international migration. And I’ve also been to many places in the west of China. Our poverty alleviation policy in that area is to mobilize each household to send one person away to work. But if the local government does nothing more than just send people out, will they achieve development? As you are working in this area, I hope you may find answers to this question in your future research program. That would be even better. Thank you.

**Wang Dewen:**
I have a question here. I’d like to put together the questions from Professor Han and from Professor Zheng. If we look at the findings from the perspective of labor economics, is it a particular issue or a general issue? In other words, are these problems brought about by migration or are they common rural problems? According to the information from you, I understand that these are problems found in left-behind families? Looking at it from a labor economics point of view, can you make a comparison with families that are not left-behind to see how the situation is for them? Maybe these non-left-behind children also have problems of emotional communication, and these families are also worried and have problems...?

But this is a difficult thing in labor economics - the two families you compare should have very similar characteristics so that you can control for them. If you cannot achieve that, maybe you can find some alternative comparison. You seem to have the relevant information in your samples. What is the situation there? If a comparison between the two families is introduced, we may be able to tell how big the difference is between the two families. The report we see now, whether in relation to left-behind children, left-behind women and elderly are all from these migrant families. That is why it is difficult to draw out convincing results. I would suggest you give us some detailed information about these people based on your sample so that we may get more related information. That is all.

**Jennifer Holdaway:**
That is the basically the same question as the previous two, isn’t it?

**Wang Dewen:**
Yes, the same question.
Ye Jingzhong:
I think the question is well presented and will be helpful to us in our future research. First of all, we did indeed use the comparative method in our research. For example, we have investigated 400 left-behind children, at the same time, 200 non-left-behind children. We compared the two groups. A comparison was also made between 400 left-behind women and 200 non-left-behind women, and between 400 left-behind elders and 200 non-left-behind elders. Even so, the sample size is relatively small. On top of that, it is impossible to conduct a probability sampling survey in rural communities. Therefore, it is very difficult for us to use regression analysis to find out whether migration has generated certain problems, etc. Of course, this may be related to the capabilities of this survey team, but nevertheless, the comparative study was indeed conducted.

Of course, we cannot be entirely free of concern that what we found is special. But this is the specific research, which we didn't mention before. But there is one point I'd like to make clear, which is that this research is more oriented toward the impact on society, than toward economics. Why? It is because population migration is absolutely not a normal phenomenon. The focus of our research is the incomplete family. When migrants leave, the family is broken up. If these families are compared with those where people stay at home in order to maintain a complete family, of course they are not the same? Let’s take children’s education for example. As the saying goes “the first six years shape the rest of life”, and family education plays an important role in children’s development. And parents’ being together plays an important role in the family, in terms of emotional communication and satisfaction. And it is the family that plays an important role in looking after old people, etc. So, all are very important from the social point of view. Because it is the existence of incomplete families that has caused these problems, they could not possibly be the same as complete families. A complete family is a family in which family members stay together every day. Therefore, I think the questions we are discussing are all related to this.

We also tried to conduct a systematic analysis with certain data to see whether these problems are the result of population migration and to analyze various coefficients, but it was not very successful. For the point mentioned by Professor Han (in fact it was Professor Zheng Zhenzhen) just now about whether those who migrate are all the most capable people, in fact, we found in our survey that those with the highest income in the village are people who control resources, like local cadres, and they do not necessarily migrate. The ones who migrate are those at the middle-level or lower-middle. Those who stay do in fact have less capacity – there are two old people, or they are both working in agriculture - those who cannot leave are in the worst situation.
The third question is related to whether farmers’ families become better off through migration. Since rural development has multiple aspects, there are also a number of definitions of development. So it is quite difficult for me to link to this topic directly. But I think apart from directly responding to these questions, I’d like to discuss the issue of basic research values. I feel that in our discussion today we have frequently mentioned a few things, such as farmers saying their greatest benefit has been that they are able to migrate, or someone else said that if they did not migrate farmers would be in an even worse situation. I think these are very basic questions about values. For example the right to migrate should be the most basic of rights. And you cannot say that just because I paid you this little amount of wages, you are not supposed to ask for any other social security benefits, or you won’t even get this salary. This is just like the situation where many people will agree to work even if you don’t sign a contract. But you should still sign the contract. Therefore, I think this is an issue of basic values.

Cai Fang: I agree with Professor Ye’s point. He has his own research focus. I’d like to draw out some more macro level policy implications of your research on the left-behind population, namely, the left-behind children, left-behind women and left-behind elderly. First, I guessed, according to what you talked about, that you must have a comparison group, you just did not display it this time. But I can’t fully agree with you on one policy related issue - that we need to move from considering solutions to considering how to respond. In fact, this idea that we should think in terms of responding is very special to the Chinese situation. In other words, most people, thinking rationally, will believe that just responding to a problem is not right. Everyone thinks we need solutions – we call it fixing the root problem, not just the superficial symptoms. But in China, the situation is always that we are in the process of dealing with symptoms, and this goes on in a cumulative fashion until we have finally dealt with the root problem. So this practice of thinking in terms of responses is one of the special characteristics of the process of reform and policy adjustment in China. But in the final analysis, responses are still not solutions. In other words, responses are just a question of some partial policy schemes, not an adjustment to the system itself. They don’t get at the fundamental system in question.

So I want to say something about the question of the problems related to the system. As a matter of fact, I said something about this in my talk just now but because there was not a lot of time I did not go into details. That is to say with reference to our current residence registration system, which still limits people’s place of permanent residence. So migration has increased the urban
population to 46% or 47%, but this population has the potential to go back, and now we can actually see that they are going back. What does that mean? Even when they stop going back, the population structure is distorted. We are in a situation where the population is ageing but the urban population is becoming more and more productive, while the rural population and becomes more and more dependent.

This is a huge problem that leads to difficulties between urban and rural areas. At the same time, from the labor market point of view, you can see that the demand for labor is located in one place but the origins of the labor supply are a long way away. And even the labor market information in the sending place may not be accurate, This leads to a serious disconnection between supply and demand in the labor force. It leads to problems in matching labor to jobs. The degree of labor market matching in China has been pretty low to begin with and this is the result of this present situation. In other words, this has made our labor force market very abnormal. Because we know that in a standard market economy, there are three kinds of labor market status: employed, unemployed, and withdrawn from the labor force. Just three kinds of status. But in China, you can be employed in the formal sector or unemployed in the formal sector (that is registered unemployment in urban areas), But you can also be employed in the informal sector, in which case if you leave you go back into the rural labor force pool. This adds a lot of complexities to the labor market. If you think about urban unemployment, the people we want to help we can't target in the city. We have to go back to the countryside to solve the various problems they have – or the problems they have in the process of migration, we have to provide assistance to them at train stations, even on board trains. This creates a lot of complexity in economic and social terms and we don’t have any methods for directly responding to the situation. So we are in a situation where because we have not been able to solve the basic systemic problem, the methods we have for responding don’t match well with actual government capabilities.

This also relates to the issue you raised earlier of the transfer of industry to rural areas. Because the labor force is flowing back, naturally, we have to think about whether it is good thing for industry to transfer as well. In fact, there are two types of transfer to think about. One is where you transfer production that was originally taking place in urban areas to rural areas. So farmers do not need to leave, and can find work right there. This can be a response in the short term, but it may not be the right direction for the long-term. We know from the literature that a long time ago, we talked about developing rural areas and not letting people migrate. But it wasn't successful. The government has kept talking about “leaving the land without leaving the village” and about the big problems of small townships. This was
all because they did not want people to migrate. But this did not succeed either.

So these responses have been a solution to problems during a specific period of time, but they don’t confirm to the objective laws of development. According to our understanding, industrialization has to rest on the spatial concentration of industry, and urbanization is the necessary consequence of economic development. This has not changed. The nature of economic development has not changed these basic economic laws. So we can assume that the transfer of urban industries to rural areas will not be a solution, or change the basic trend of urbanization in China.

Actually my guess is that the main reason why so many people are so interested in starting industries in rural areas is that they have their eyes on collectively-owned land and land occupied by farmers’ homes. The reason why we all had such high expectations of the Third Plenary Session of the 17th CCP Central Committee, but were all quite disappointed afterwards, was because this topic was not broached. And we have already almost reached the “red line” of 1.8 billion mu of arable land [that is seen as essential for China’s food security] so the only opportunity left now [for development] is these two types of land - . collective-owned land and farmers homes

I am not saying it is wrong to think in those terms, but we should have other considerations too. Nowadays there is a new trend in relocating industry. In Guangdong they talk about the “double-transfer”, which means they upgrade the production functions that remain in the city, and then transfer the original industry somewhere outside the Zhujiang Delta area. So the migrant labor force is transferred out, too. In fact, this means bringing in local labor to replace migrants, and transferring the migrants out. No matter what their motivation is, I think this is basically in conformity with the general trend. With the special impact of the financial crisis, this transfer may be too violent and not have any benefits. But nevertheless, we can see that the labor force has already started to flow back. Does that mean the industries can transfer too? Workers can buy a train or bus ticket and leave the same day, while a year may not even be enough for industry. But if this financial crises is a relatively long process, which we will have to endure for several years. If we can accomplish the transfer of industry during this period, I think it is a new opportunity for China to adjust its industrial structure and upgrade and transfer industry.

We all know that [the potential for this] can be tested through a process of comparison. This kind of test is usually conducted at the international level, comparing the Four Asian Tigers to China’s coastal areas. But given of the size of China’s population and territory, China’s regions are in fact large
enough to be considered units of comparison. The core issue is whether the central and western regions have the ability and comparative advantage to absorb the transfer of industry. People now all talk about how migrant workers’ wages keep increasing, and so we have to transfer these industries to India or Viet Nam. As a matter of fact, we need to consider two factors. One is wages and the other is labor force productivity. If we combine wages with productivity, we get an index called the unit labor cost advantage. This is an integrated measure of the two factors. If this index is relatively low, that means we still have a relative advantage and remain competitive in the market. We have the index for manufacturing industries in the central, east and western regions. It shows that the unit labor cost in China was continuously going down, which indicates that our comparative advantage was still going up. But after the shortage of migrant workers in 2004, this increase began to slow down, and then stalled in the eastern region. But it continued to go down in the central and western regions. In other words, when it was time for the eastern coastal areas to upgrade their industries, labor costs in the central and western regions were relatively low, but their productivity was relatively high compared with eastern coastal areas. The combination of the two has given them a comparative advantage and the potential capacity to absorb the transfer of industry. Therefore, I believe this is the new direction.

That is to say, if the government plans to take action, for example investing 4,000 billion Yuan or 18,000 billion Yuan in local investment, what is the best way to spend it? If all the investment is put into basic infrastructure construction, it will not be much help in terms of driving immediate consumption-oriented demand. Only through the transfer of industries to boost employment and increase income is it possible to increase domestic consumption. Then we can say that we have mobilized the first stage, and the second stage may become sustainable.

The next point I’d like to discuss is, as Zheng Zhenzhen mentioned just now, the question of how successful migration is in fostering development. Simply put, that means how do we convert labor mobility into a mechanism for development? In my opinion, we had quite a lot of unsuccessful experience in the past. For example, we used to rely excessively on population migration to improve living standards, but we did not convert that into productivity. In some other cases, population migration even resulted in the withering away of rural communities. Therefore, the focus of our migration research has been to analyze whether it has a positive impact on development. Firstly, as you mentioned, the basic premise for migration is to increase income, but the question is whether migration will lead to a normal process of urbanization. Second, we want to see whether migration has provided for the efficient allocation of resources. Of course, this is related to the process of
urbanization. Thirdly, we need to see whether migration has narrowed the urban-rural income gap. Then, another thing we need to see is whether migration has harmed agricultural production or improved agricultural productivity. If all these things have been achieved, then, I think we can say that migration has improved development.

I think when we look back over the process of policy reform, we have in general considered the interests of all parties concerned. Taking agricultural productivity for example, although the scale of farming operations is not so large, and the land concentration ratio is not so high, the actual scale of agricultural economic activity is impossible to analyze. In other words, I own and have the right to farm this piece of land, but my entire farming operations may be conducted on a much larger scale through purchasing. That is why we can see a significant increase in agricultural productivity and the level of mechanization and reduced labor intensity in recent years. Neither agricultural productivity nor total agricultural factor productivity has decreased. We have seen a number of studies which show that in the 90’s, total agricultural factor productivity was better than that in the transportation and communication and services sectors. Therefore, we have satisfied the requirement of narrowing the urban-rural gap. This is a hypothesis only. But in my view we have narrowed the gap.

Of course there are different opinions. Even I cannot prove whether the other factors are related to urbanization. Urbanization is not typical or stable. That is why I talked about this issue at the very beginning, and said that we need measures to respond to this issue in the short run, and we also need complete solutions for systemic reform, including reform of the household registration system amongst other things.

Prof. Bai Nansheng (Renmin University of China):
One of our research programs is an analysis of adaptation. This is because we are accustomed to talking about the issue from the point of view of society. After migrant workers settle in urban areas, they need to adapt and be re-socialized. We have further broken down the analysis to look at adaptation in the context of employment, in living circumstances, and in human relations. From the data we obtained so far, we can see that the results are quite different from what we expected.

When people from the countryside go to work in a factory, they often feel scared. I even heard stories that, in the worst cases, they feel scared whenever the factory’s iron gate is closed at night time. They feel they are being locked up, and some of them even climb over the wall and run away, just quit like that. But from the actual data, the general situation was good.
This table relates to work discipline when they first came to work in urban areas. These are their answers from the questionnaire. The next problems to be solved are related to working conditions, the relationship between leaders and workers. But generally speaking, progress is being made on this step by step. But their living conditions and difficulties were worse than we imagined.

The most difficult part in their living situation is the housing conditions. In the past, the rate of adaptation was very low, but now it is going up very fast. This table is related to food and drink, and this one to how they spend their leisure time. For some other kinds of adaptation we use some simple measures as indicators. Here is the table for crossing the street, and here is the one for communicating with local people. As you can see migrants are moving forward and making progress.

Migrants are even more adaptable in the workplace and will accept almost anything. In workplaces, the thing that is hardest to adapt to is working conditions, because working conditions are not an issue of acceptance, there is an objective issue of how it could be changed. Around this issue, we conducted some quantitative analysis. We discovered that whether in linear analysis or non-linear analysis, females are less adaptable than males. On top of that, the higher the education level, the stronger adaptability will be, and the longer they stayed in Beijing, the more adaptable they are. These findings are more or less what we expected.

Some issues were not covered in our research and some problems were discovered in the research process. For example, the issue of income and employment flows. We have a Ph.D who wrote a paper on the issue of employment mobility and the impact of changing jobs. We have some conflicting conclusions on the issue of income. For example, there are people who just left home a year ago, and others range up to 20 years. We discovered that if you use the Gini coefficient, they have undergone a process of gradual upward movement and then a gradual decline. Of course, I understand there are many explanations for this. Some of these people may have worked outside for over 20 years, some are about 40 years old, and except for a small number of successful people, most of them will continue their lives in the same way. From another perspective, for the same work, if you compare a migrant’s first month’s payment with the wages they receive now, you may find that the first payment is lower than Gini coefficient, and now it is higher. In other words, over an extended working period, the income situation actually becomes polarized. There are many reasons behind that.

We also have some other findings. These are in relation to what happens within industries and are quite different from what we expected. We
discovered that the differences between industries are pretty limited, but the internal differences within industries are increasingly large. I think that may be because it is very difficult to find a high-paying job when you first come to a city. Or perhaps they entered into a low-paying business, so the differences between industries become small. There are many examples like that.

We have also set up some hypotheses that we will try to test. I think this may be a research direction in the future, that is how do migrants change their jobs, what is the impact of job changing on income, and at what point do they change from being employees to self-employed or from self-employed to employees? What are the reasons for such changes and the impacts on income? I think we need to continue research on these issues. Besides that, we need to examine the relationship between income and adaptability, because as far as we understand, these two issues are still mixed up. Another issue mentioned by Li Shi is that the figure of 132 million migrant workers in China excludes the whole-household migrants. But household migrants were included in 2005. What was not included was households that changed their residence registration. This situation is very rare. In most cases, one person of a household would be left behind, and many families prefer to apply for registered residence status for their children so that the youngsters may receive education in urban areas in the future. Adults usually do not apply for that.

**Jennifer Holdaway:**
It is almost lunch time, and we have to finish our meeting at 1:30. So let’s go and get our lunch and we can continue the discussion as we eat.

**Hu Xiaojiang (School of Social Development and Public Policy, Beijing Normal University):**
I have a question. We need to think about what international society can learn. in other words, what aspects of this experience have Chinese characteristics that may not be copied by others, and what experience may be similar. I’d like to ask this question of the three professors.

**Jennifer Holdaway:**
Her question is, what kinds of Chinese experience may be replicable in other countries and which are not, as of course it is not possible to reproduce all policies....
Cai Fang:
First, let’s talk about Chinese experience. China’s most important experience, as I said in the morning, is the form reform has taken. Therefore, we may say the form of reform is the Chinese experience. I think the form of reform is learnable because the starting point of reform varies from country to country. The experience a country has at the starting point is its store of knowledge, even though the process of accumulating that knowledge may have been different. For example, if one country has had a planned economy for 100 years and yours has only had 20 years experience with a planned economy, then you will have certain different kinds of memory of the market, and it may be easier for you to accept the market. But basically the problems you wish to solve are all the same. Lin Yifu, Li Zhou and I have written a few books together. We said somewhere in those books that, as a matter of fact, both developing countries and countries with planned economies are facing the same problems. To begin with, if you start from the point of view of having a development strategy of catching up and overtaking other countries you will also be going against your comparative advantage. This determination to catch up and overtake other countries will mean that you cannot draw on your comparative advantage and you will not be able to develop independently. You will be forced to distort the price of the factors of production and artificially drive down the capital ratio, etc. Then, because the prices of the factors of production are not related to their scarcity, the government will have to use planning to manage distribution and ensure that it benefits. So because it is focused on catching up with and overtaking other countries it allocates resources through planning. If the government allows some people to do things on their own initiative they may achieve the highest profits, but the government ends up having to control enterprises, promote nationalization and socialize production. In fact, this process is very typical of what happened in China and other planned economies, and it is more or less the same in most of the developing countries. The starting point is basically the same and the problems they want to solve are the same. But due to a lack of efficiency and a distorted pricing system, the industrial structure they produce is also distorted. Because of nationalization, enterprises are not given decision-making power and the result is that they do not achieve technical efficiency at the micro level. All the problems are almost the same. Therefore, although our starting point, development level and degree may not be the same the problems are the same.

Since the logic of these systems is the same, it is likely that when reform is implemented it will generate similar sets of winners and losers, and that the relationship between them will be the same. Therefore, we can say the goal of China’s reform is to improve the living standard of the people. Every step forward is for the purpose of improving people’s living standards, without harming the livelihoods of other people. All the results gradually accumulate
into a reality of reform, which is to say that we engage in reform and achieve benefits and development at the same time. So in fact, although I have not sorted out what is learnable and what is not. I do not think there are many things that cannot be learned from.

Ye Jingzhong:
I am also thinking the issue of population migration in China as Professor Cai has mentioned. From the point of view of society, it will be very difficult for other countries to reproduce that. Why? Recently, I attended a conference in Europe. At the meeting, one scholar introduced the situation of population migration in Ghana. They have encountered many problems, for example, there are lots of incidents of the violation of the rights of child laborers. Immediately I asked whether they have any social control or government regulation. But people there think it is all right. Children want to survive and they have no choice. They must accept it. What I want to say is that, from the point of view of Chinese society, Chinese are strongly family-centered. For example, after the parents migrate, the grandparents will naturally take over the responsibilities of caring for the grandchildren. The left-behind wife will take care of the whole family and the grandparents often fully support their children migrating. They say as long as it benefits their children. They are willing to sacrifice.

That is why I think in a country without this cultural background, such as countries like Ghana, where there is such a huge population flow and so many children without care, many families would give up completely. And social services are also inadequate. I assume their social problems will be more serious than in China. Therefore, I think it is only because the Chinese government has successfully relied on this strong family-centered consciousness that is part of the institution of the family in China, that migration has not generated a lot of social problems.

Cai Fang:
My own feeling is that the differences of opinion among scholars from different countries with different social systems are much larger than the differences in the rational behavior of people in different countries in their actual economic lives.

Bai Nansheng:
The problem mentioned by Ye Jingzhong just now does exist. But there is another issue with that. If you consider internal population migration, rather than international migration, isn't it rather particular to China that internal
migration has entailed such high rates of family separation. In many places, there are not so many barriers to migration and it can be done on a family basis. So if you compare the poorest and the richest, you will find the poorest are rural losers without any land. They may go to urban areas and find some odd jobs. The relief system in urban areas is a little better than in rural areas. So, we see the poorest people in urban areas. And the big bankers are there too, so you have a severe polarization between the rich and poor. But in China, we have locked the poor people far away in the mountains, so our actual Gini coefficient is not that high.

Zhang Xiaoquan (Department of East Asian Studies, University of Leeds, UK):
First of all, I'd like to express my gratitude to Jennifer and Arjan for organizing this timely and important discussion. As Jennifer emphasized just now, the focus of this part of the discussion is to consider future research directions. I think I will briefly discuss three aspects. I think we can consider our priorities in terms of theoretical implications. The specialists just now gave us some new information in their papers and also mentioned a number of problems. I think the issue put forward by Prof. Zheng is very good, such as the issues of social policy, social protection and migrants. I think these areas will also be my areas of study. In theoretical work, we should further develop this important issue and at the same time we can build up a new theoretical framework. Just as Professor Li Shi from Beijing Normal University mentioned about the issue of social risks, I think this issue has broader implications and is connected with the issue of urban-rural integration as emphasized by the government. In fact, the issue of urban-rural inequality was also mentioned by many professors just now. Part of my research at the moment is on migrant health and social protection, and now it may be enlarged to areas of social economy and social protection.

In my opinion, when talking about interest groups and conflicts of interest, for example, all of us are talking from the macro point of view, but we need to study the micro issues. However, I did not hear any voice from micro point of view. We need to find out how migrants look at social risks. I think one of their opinions is very interesting, that they believe there is a great risk of social inequality. They often say we used to have very low income but all people were more or less the same. Now there is a huge gap between the poor and the rich. So let's make some improvement. But we know that some people are not satisfied with society, particularly with some policies, including the policy encouraging some people to get rich first rather than equality. They think this is the most important factor in social inequality. So, I think we should look at their perspective and then at the relevant policies. I think this is a very interesting issue.
Another issue is the impact of present financial crisis, as mentioned by Arjan. I think this issue is also very interesting and needs further study.

Here is another example from interviews conducted in an urban-rural border site in Tianjin. Many of the migrants have returned home because most of them were doing waste recovery and now with the sharp drop in some raw material prices, they can’t make money anymore and cannot support a basic living. As a result, many of them returned home. This has also affected the life of local residents since they are former farmers who have been urbanized, and now depend on rental income from migrant workers. But now the migrant workers are gone, leaving them no source of income. I think we also have some applicable concepts, such as globalization, social risk, social rights, relative poverty and so on, these are often applied in our policy making process from a theoretical perspective. And from the political perspective, I think the research conducted within China tends to use more quantitative research and organize large work teams. This is one of our strong points. Also, for the follow-up research mentioned by Prof. Han, I think it is very novel.

Another area that may require some further research is migrant workers social networks.

From a political perspective, I think we have something else to think about, for instance, besides population migration, are there any other options? One speaker just now mentioned development in small townships. We need to find out if there are any options to choose from, that is through building urban concentrations in rural areas and urban-rural integrated development, instead of centralizing all people in large metropolises. It seems people are again talking about metropolitan urban development, which will widen the urban-rural gap further. I think this requires consideration from policymakers. If we study the situation in Latin America, certainly we can learn something from them. If we do not make necessary adjustments at policy level, then, our future path may be the same as theirs, totally relying on the market. With a very weak role for the government, the final result will be appearance of large-scale slums in China. By that time, it may be too late to solve this problem. So to prevent it from happening, the government needs to take some actions as early as possible so that our policy may develop in a more balanced and equal direction. That is all.

Jennifer Holdaway:
We have some other participants who would like to speak.
Representative from Department of Social Assistance, Ministry of Civil Affairs:
I am from Ministry of Civil Affairs and specialize in social assistance. I think our social assistance to migrant workers is still a blind spot and we are trying to develop a proper policy to cover this area. The meeting today has provided us some evidence in how to develop proper poverty alleviation policies to support migrants. I wonder whether it is possible for Professor Li to work on some of these issues in detail, such as the incidence of poverty, and consider the relationship of the relevant variables when he performs his next follow-up research. Another issue is whether it is possible for Professor Li to study the length of migrant workers migration and their residence. A second factor is whether poor migrants live with their children. And the third factor is the relationship between poor migrant families and the population they need to support in rural areas. The fourth factor refers to the situation of family poverty and the means of production in rural areas. With consideration of these four factors, we may be able to make targeted policies to determine the impact on poverty rates in the future.

Li Shi:
Thanks for your good suggestions. These issues are also on our list for the future. But presently we are short of funds to carry out this research. So if you could provide some funding, this would also be an indication of your support for this project!

Kathleen Hartford (Ford Foundation):
I have a question for Professor Cai Fang. I have learned a lot from listening to you three specialists discuss your research results. Thank you, Prof. Cai. Moreover, I think the suggestions from other specialists are also very interesting. From this I can understand China’s thinking about scientific development. From the theme of the meeting we may say we have made considerable progress. We used to focus on the issue of migrant workers, but now we treat it as an issue of population migration. I think it may become a very important issue from the point of view mentioned by Prof. Cai. The key question is whether we treat it as a migration issue or an issue of urbanization. Of course these two issues are closely linked. But if you treat it as a migration issue, we may miss some important aspects.

For example, some speakers today talked about the distinction between migrating populations and migrant workers. I’m not sure, because my Chinese is not so good, but I don’t think anyone has talked about the issue of farmers who have lost their land. But there are 30 million farmers in China
who have lost their land. According to some estimates, the number will go up to 80 million in the next 10-15 years. This is a huge number, exceeding the total population of many countries. However, I think they are a very important part and phenomenon in the process of urbanization. Therefore, if we separate the issues of migrant workers and farmers who have lost their land, we may overlook some related political issues. In this respect, I think we still have a question to focus on, in a general sense. That is the question Prof. Cai mentioned, of whether we are concerned with a typical process of urbanization. In addition we have another question, which is whether the process we see now is an ideal process of urbanization. I think we need further consideration of this process, and not to accept it as an unavoidable and natural process.

As a matter of fact, we have seen different types of urbanization in different countries across the world with some very different results. For example, there is the example of urbanization in South America, which is certainly not the Chinese style. There are also examples in western countries, which are not the same either. Therefore, I think the issue may require more consideration. This does not mean that China has a lot of development problems, but rather that we need to consider how to achieve ideal results in the process of solving and responding to these problems. This requires the practice of scientific thinking about development in order to achieve the best possible outcome for China. Thank you.

Wang Shihao (Minstry of Civil Affairs):
I have two questions to ask Prof. Cai. I understand you have been engaged in demographic studies over the past years. My question is related to a relatively hot issue in China in the past few years, the question of China’s demographic dividend. You have published a number of articles on the subject and I was very impressed by them. So I want to ask how you see the emerging or imminent trend of China’s demographic dividend. During this process, I think in the past 20-30 years, the migration of the rural population to urban areas has made a great contribution to China’s development. It is very hard to determine through quantitative analysis whether because of this factor GDP grew by 0.1%-0.2%, but I feel this is a very important concept. So, my first question is, if for the coming 10-20 years China still has the capacity, do you think the rural-urban migration will still play a role in the process? And, if so, to what extent? Here is another issue. In the process of migration, a lot of the discussion has focused on the present system, like scratching an itch. We, as a non-disadvantaged group, discuss the issues of a disadvantaged group, putting forward 5 or 6 suggestions for the three types of population (here refers to women, elders and children). From our point of view, they are a vulnerable group facing various kinds of problems. But from the systemic
point of view, what kind of functions do you think the government and market should play in this process? I have an impression that most of the discussions are concentrated on whether there should be more government interference to protect interests and rights or deal with issues of labor law. Accordingly, quite a lot of regulations and measures are introduced, but we have to see whether these people are ultimately protected, or some negative aspects were brought in. So in the process of system design how do we go about distinguishing the government’s role and the role of the market. Thank you.

Hou Xin’an:
I’d like to follow up on this issue. Some of our measures, whether you call them temporary or response measures, are targeted at making certain adjustments to the system. Take schools for migrant workers’ children for example, the appearance of this phenomenon was very well-intentioned. But in my opinion, it can end up having severe negative consequences. I think this has been reflected in inequality in China’s education system. In fact, you have segregated those children. In other words, it is an issue of how you integrate this kind of specially targeted policy with changes to the system. For example, the issue of social assistance mentioned by the gentleman from the Ministry of Civil Affairs just now. This type of social policy does not mean we must set up schools for migrant workers’ children, but rather that through this type of social assistance or some other means of economic support we must realize the ultimate goal of nine-years of compulsory education for all. So, equality is the most important thing. I think there is a connection between the two issues which is worthy of further study. The reform is actually like crossing the river by feelings the stones. I think we can find out and feel many things. But at the moment you may not be able to feel any stones. In this case, the issue of migrant workers becomes an issue of the system itself, or of the dual structure of the system. In the past 30 years of reform, we have encountered various types of problems. I would suggest that we try to layout these problems and clarify them, to find out which we should focus on directly, and which are system-related issues, such as the public health and education systems, the social security system and some governing regulations. Then, through a long process of system reform, we may let migrant workers become beneficiaries of reform and equally enjoy the development results.

Cai Fang:
Whether it is a good population structure or not, our research shows that 27% growth in GDP per capita was due to a reduction in the dependency ratio during the period of reform and opening up. In the past I often talked about
the usefulness of this model, even during the period when the ratio was going up. Because that means for every 1% of increase, the increase in per capita GDP may drop 0.115%. But now I realize that this conclusion is not that accurate, because any model you use operates under certain economic conditions and you need to control for many different things. So I often think that there isn't a deadline for reaping the demographic dividend. If you act as if there were a deadline, as soon as you complete the first population dividend, the second starts, and then you will not have another deadline. Why? In fact, any population dividend emerges under specific circumstances. In China the ratio of dependents to workers actually began to drop in the mid 1960’s but we were in the midst of various social movements and so we had almost no economic growth. But since reform and opening up, and in particular opening up, as you just mentioned, migrant workers have transferred into the manufacturing industries. The products they produce are sold overseas at relatively competitive prices, turning China into a manufacturing center. It was during this process the mechanism developed through which we were able to realize the demographic dividend.

So what are the conditions for the second demographic dividend? First, when talking about this we are actually talking about two things: the first is the high rate of savings, and the other is an abundant supply of labor. The second demographic dividend also requires a high savings rate, but it cannot be obtained by relying on population structure. Instead, it relies on having a social security system. People like to talk about how we will have an ageing society in the future. It is possible that people will continue to save for their old age, but if you have a pay-as-you-go system, or a family-based retirement system, you won’t achieve this savings rate. We need to have a fully-funded social security system to ensure this kind of savings rate. The supply of labor depends on the arrangement of the labor market. In fact, I will give another talk this afternoon about this. Suppose the actual retirement age were to go up from 52 to 62 years old, just imagine how the labor supply would increase.

And here is the answer to your second question: What are the roles of the system and of regulations? There are lots of things to do at the moment, so why do we want to do things ahead of time? So, for example, when it comes to changing the retirement age, what we are talking about is the mandatory retirement age, but what really matters is the actual retirement age. Since we have quite a big gap between the mandatory and the actual retirement age, we will have a contrary effect if we raise the mandatory retirement age. We will not be protecting workers, but rather depriving them and reducing their income and choices. In principle, I am in favor, in light of the Lewis Turning Point, of reducing rules and regulations and using the current flexible market to achieve maximum employment. After that turning point, there will not be an unlimited labor force supply. Then, we can put in place
the necessary rules and regulations. So I have also considered the issue of raising the retirement age as they have but I do not think we should do that now. As for issues related to Labor Contract Law, I think it is correct in principle but still there are some problems. It was introduced in a hurry, and was incomplete and unrelated to the social security system that is in place at present.

The failure to integrate with the social security system only means deprivation for enterprises and migrant workers. We discovered this during our survey at the grassroots level. One enterprise owner questioned China’s first social security law, saying, the law is only applicable to an enterprise with more than 100 employees, in different stages, in different areas and under different conditions. One of the regulations is the limit on number of employees. How many micro enterprises in China will practice this law? If I only have 1-2 employees, I need to pay insurance for them while I myself do not have any. I think we are in a bit of hurry, and now there is the impact of the financial crises. In other words, it is a short-term shock in the context of a long-term development process and this type of shock may occur at any time. But once you are challenged with this occurrence, it is certain that your normal system construction and economic development agenda will be interrupted.

Ye Jingzhong:
The first point I want to make is that I personally on no account oppose population migration. Since the focus of my research is on population migration issues, I won’t say migration is not good. But migration has brought some problems and we need to respond to these problems. Of course it would be much better to have these problems solved in the way Professor Cai Fang talked about.

The second point is one mentioned by Mr. Wang just now about the question of studying human beings. In fact, research often focuses on other people’s problems instead of our own. Of course, as C. Wright Mills, the American sociologist once said, we need to consider others’ views in our research, such as the content of our research, including suggestions from the perspective of the rural migrant population. In addition we also considered migration from multiple points of views in our research report, for instance, from the point of view of non-migrants, those who left and others. I noticed there are some introductions on policy issues in the background information of the meeting. But we have much more related considerations, such as suggestions on civil society and mutual aid and self-help, etc. but these are not much discussed here.
The third point is related to research on migration and development. Personally I feel there is an obvious difference in the value orientations of economists and sociologists. For example, on the issue of development, people may think the increase in family income from out-migration is development. Yes, but this may not be true. The scientific outlook on development emphasizes putting people first and meeting people’s needs. If we say migration has increased income, then, at the same time, we need to study why there is no increase in income for those who don’t migrate, who stay at home for agricultural activities. We all know that every time before a grain price rise, there is an increase in the price of agricultural inputs. Agricultural inputs are controlled by the government, so we need to study the related issues in this area. It is not so simple as to say that with migration and an increase of income, there must be development. I think it is difficult to evaluate this. Some social and economic factors are involved, making it difficult to measure the analysis. Therefore, I think our research should be people-oriented and oriented to people’s needs. Taking the left-behind children for example, according to our survey, 37% of left-behind children support their parents go out, and 39% of children don’t want their parents to leave. Of course, it does not mean that they can have what they want. What I mean is that our research should be based on their needs and demands. For the left-behind women, one woman told us she has been married for 14 years, but was effectively a widow for 13 years. Do you think is putting people first? So, I think it is not proper to simply evaluate and define development. That is why I feel there are clear differences in the value orientation and areas of research between the economists and sociologists. Due to the time limit, I have to stop now.

Jennifer Holdaway:
Thank you.

Li Shi:
This is related to the last question about what kind of lessons China’s experience may offer to the international community. I think the most important is in the area of policy. China may provide the world with insights in the area of policy, including policy toward migrant workers and other related policies. A good summary has been made in this regard. Two aspects are very important. The first is related to policy continuity which, to a large extent, requires political stability. In China, political stability guarantees the implementation of policies. The second point is that, so far, China has sustained its reform for 30 years. To other countries, it may not be possible to implement a reform for 30 years. Some countries may complete such a reform in a few years time. Prolonged reform may bring in positive benefits but also
problems. For example, in the course of reform, everyone is trying to seek their own interest, thus forming their own interest groups. They will support the reforms that are favorable to them, and oppose the reforms that are unfavorable to them. That is why many problems emerge in the course of reform.

This experience may not be one that other countries can learn much from. The reason why China has been able to maintain a stable, sustainable and progressive reform process is closely related to its political system. Reform has been pushed forward in a top-down way, and the precondition for this has been political stability. This kind of reform can only be carried out within a relatively centralized political system, with relatively strong government and organization. Therefore, it is quite a challenge for countries without this kind of system to implement such a planned, step-by-step, stable and gradual reform. If you are a country with a democratic system, various forces will fight and wrestle with each other. It is very difficult for the government to keep control. Therefore, some the Chinese policies look good, but are not easy to copy.

**Jennifer Holdaway:**
Thank you. Unfortunately we have run out of time.

But we have learned a lot about China’s experience today. The presentations and discussion with the three experts and other participants were very informative. At the same time, it seems very hard to answer the question of what other countries can learn from China’s experience. Perhaps this is not something we can answer among ourselves. We might need to organize another workshop and invite scholars and policy-makers from other countries to see what they think they can learn. I hope we can organize such a meeting at some point.

As a first step, we will put the video of today’s meeting on our website, and have it translated into English so that more people can read it.

Again, I’d like to thank the three experts for their excellent presentations, and also to thank you all for your active participation in the discussion. I sincerely hope we will have another opportunity to continue the conversation. We may organize some small scale and more focused discussions with people from different disciplines so that we can hear your thoughts on how we can develop innovative research in this field. I will be in touch with you about this. Thank you all.