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Rural-Urban Migration in China – Scale, Composition & Pattern

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Introduction

This paper has two aims. The first is to present a fairly comprehensive analytical account of the scale, composition and the pattern of rural-to-urban migration in China. The second is to discuss issues arising out of the presence of a large population of migrants in cities with reference to housing and basic education.

Here migration refers to the voluntary movement of rural workers, who leave their home villages for urban localities to seek employment in industry and services. Their urban destination could be any of the 661 localities that fall under the official heading “cities and towns.” Each of these localities has an administrative status in the four-level division: provincial, sub-provincial, prefecture-level, and county-level. The status determines the scope of decision-making powers of the government of the locality. The distance covered by migrants can vary from a short trip to a neighbouring town or city to a journey to a city on the other side of the country.

It is important to note that “rural” and “urban” have particular connotations in China. Normally “urban” refers to localities with a combination of a high population density and industry and service being the principal income sources. Reflecting the limited cultivable land area relative to population, numerous rural counties in China have long had population densities similar to those in urban or peri-urban settlements. With rural industrialisation, many such counties have also come to derive most of their income from industry and services. They are urban in terms of both population density

and the structure of the local economy. Yet they continue to be classified as “rural”; and the classification matters because it determines powers at the disposal of the local government. They are “rural” in name but “urban” in characteristics.

The findings on migrants and migration patterns reported here are based on the data from the 2004 rural household survey conducted by the National Bureau of Statistics (NBS). By design, the survey excludes urban-to-urban migrants and does not distinguish between rural-to-rural and rural-to-urban migration. In the present context, the neglect of the first is not a lacuna in the present context given that the principal focus here is rural-to-urban migration. But the second does make a difference because rural-to-rural migration is reckoned to be significant.

In the NBS data set there are 312 entries for each household including details of household composition, income and expenditure, and production. For the purposes of reporting the findings from the data, 31 provinces are grouped as follows: Coastal, Central, and Western

Table 1: Provincial Grouping

Coastal (% of total population)	Central (% of total population)	Western (% of total population)
Beijing, Tianjin; Hebei; Liaoning Shanghai; Jiangsu; Zhejiang Fujian; Shandong; Guangdong Hainan	Shanxi; Jilin; Heilongjiang Anhui; Jiangxi; Henan Hubei; Hunan	Inner Mongolia; Guangxi; Chongqing; Sichuan; Guizhou Yunnan; Tibet; Shaanxi Gansu; Qinghai; Ningxia Xinjiang
39.4%	32.5%	28.00%

The “Coastal” region comprising 11 provinces is the largest in terms of population, followed by the “Central” region, consisting of 8 provinces, and then by the “Western” region. In terms of GDP per capita the Coastal Region is the richest, with each province

in the group, apart from Hainan, with a per capita GDP higher than the national average. In contrast, in the Central and Western Regions all but two provinces have below average GDP per capita. The two provinces are Inner Mongolia and Heilongjiang.

Scale of Rural-Urban Migration

Scaling up the results of the NBS rural household survey, the outflow per year of migrant workers from the countryside in the 4 years from 2003 to 2006 for the whole country is as presented in Table 2.

Table 2: Migration out of Rural Areas, Magnitude and Composition

	2003	2004	2005	2006
Migrant workers outflow, million	113.90	118.23	125.78	132.12
Rural labour force, million	489.71	496.95	503.87	516.09
% of the rural labour force	23.2%	23.8%	25.0%	25.6%
Lone migrants, million	89.60	93.53	100.38	105.68
(% of the total)	(78.7%)	(79.1%)	(79.8%)	(80.0%)
Emigrating with household	24.30	24.70	25.40	26.44
(% of the total)	(21.3%)	(20.9%)	(20.2%)	(20.0%)

The annual outflow of “migrant workers” represents the total number of rural workers who left their usual locality of residence for work outside during the calendar year. This includes both workers leaving permanently and temporarily. The latter also includes many making more than one trip during or over the years. But a worker is counted only once during the year regardless of the number of trips during the year. There is no minimum duration of trip for a worker to be counted as a migrant, in contrast to, for example, the population statistics which count as migrants only those staying away for six months or more. The above figures cover only the workers; the figures for the outflow from the countryside would be much higher if non-participants in the labour market were also included.

It is important to point out that the figures for internal migrants in Chinese statistics vary very widely. There are two sources of variation: first, difference in the location where data is collected and, second, the definition of a migrant. There are two different ways of counting migrants¹:

- Destination-based: counting the population with household registration in a locality other than the current place of residence;
- Origin based: counting the population with household registration in the locality but currently resident in another locality

Whereas the destination-based surveys are usually conducted in cities, the origin-based surveys are normally conducted in rural counties. They do not yield the same totals. Cities-based surveys exclude rural-to-rural migration, which can be substantial. In turn, counties-based surveys exclude city-to-city migration. There are various definitions depending on the time since arrival at current location and the official status: e.g. granted *hukou* for the current location, with a temporary residence permit and without a temporary residence permit. The definition of a migrant here is very broad, and encompasses all other definitions. It includes everyone left the usual place of residence for work during the calendar year.

The data in Table 2 give a more comprehensive picture of the number of rural workers involved in migration than various current figures on migrants do. In 3 years from 2003 to 2005, the numbers involved in migration have risen by 18.2 million, and in 2006, over a quarter of the rural labour force was involved in migration, with most of them returning after a period. The notable feature of the figures (Table 2) is the sheer

¹ The following refer to China and could be re-phrased in terms of “time since arrival” and “time since departure” so as to apply to other situations.

magnitude, not only in absolute numbers but also relative to the total rural labour force.

The data set does not directly differentiate between those who leave the countryside permanently and those who leave temporarily and return after a period. But it does provide a breakdown of the total between those who emigrate individually and those with families, a distinction which overlaps with the one between permanent and temporary migrants. Individual migrants leaving their households behind have a good reason to return, a reason that is absent when the whole household migrates. Individual and household migrants are, however, related in that emigration of a household may follow temporary migration by some members of the household. The notable feature of the above table is that a vast majority of migrants, between 79 and 80% are lone individuals with their households remaining in the countryside. For most of these, if not all, migration is temporary and, most likely, repetitive. It is the temporary nature of much of migration that shapes most of the salient issues concerning migrants, such as housing, participation in the Social Insurance schemes and the education of children left behind in the countryside. However, migration by families, which raises particular issues, is still a substantial 20%. A justifiable assumption is that all lone migrants return to the countryside, and all those who leave with their households leave permanently and are counted as migrants until they are fully integrated. As shown below, permanent migrants will generally constitute a higher proportion of the migrant population in the destination cities and towns than they do of the rural workers leaving the countryside.

The figures in Table 2 represent, for most part, the numbers who leave the countryside or the numbers arriving in cities during the year; they are flow figures. This raises the question of how many migrant workers (both temporary and permanent)

there are in urban areas at any time. It is this population rather than in- and outflow of migrants that is relevant for policy. The number of temporary migrants depends on both inflow and their average period of stay. Focusing on 2006, the average outflow from the countryside or inflow into cities per month is 8.8 million temporary migrants per month. On average they stay over 8.3 months. Thus, the total number of temporary migrants in the last quarter of 2006 will be just over 73 million, given by (8.8×8.3) , with 8.8 million leaving the cities and the same number arriving from the countryside. The total number of permanent migrants will be equal to the number of permanent migrants yet to be integrated with the local population, one index of which is the conversion of *hukou*. If the average integration period is 2 years, then their total number at the end of 2006 will be the sum of the arrivals of permanent migrants in 2005 and 2006, which is approximately 52 million. The total number of migrants, including both temporary and permanent migrants for various integration periods will be as follows (Table 3):

Table 3

Integration Period for Permanent Migrants	Total Number of Migrants, million (Temporary, Permanent)
2 years	125 (73, 52)
3 years	150 (73, 77)
4 years	174 (73, 101)

The general point is that given the institutional impediments to the integration of migrants, the integration period is likely to be long, certainly longer than the average length of stay of temporary migrants. In all such cases the proportion of permanent migrants in the migrant population in cities and towns (the destination) will be higher

than their proportion in the outflow from the countryside. Given a long enough integration period, permanent migrants may make up a majority of the migrant population in cities, even though they may constitute only a small minority of workers leaving the countryside.

How does rural-to-urban migration, as indicated by Table 2, look from a comparative international perspective? The American population is generally reckoned to be highly mobile, with 3% of the total population moving across state boundaries. Although not strictly comparable with the US figure, with 15% of the rural labour force (in full-year equivalent) involved in migration the scale of current internal migration in China is high by international standards. This is the exact opposite of what one would expect, given the *hukou* system and the long history of restrictive policy towards rural-to-urban migration. The implication is that changes introduced since 2000 have radically altered the internal migration regime.

The division of rural-to-urban migrants between permanent and temporary is universal but there are two features particular to China that raise the cost of permanent relative to that of temporary migration and thus may shift the balance towards the latter and away from the former. One is the household registration (*hukou*) system and its ramifications. The other is the terms on which land is distributed amongst rural households. Arguably these two reduce permanent migration but not temporary migration. The household registration system is not used to control travel or any longer to control the taking up of employment outside the usual place of residence, but it accentuates the differences between migrants and permanent residents and prolongs the time it takes for migrants to integrate with the local population.

The land tenure system acts as an impediment to a permanent emigration from

rural areas to urban areas because of the way it is structured and operates in practice. Land plots are not transferred to rural households in perpetuity but are leased for a definite period on a renewable basis. In principle, land leases can be sold or transferred freely, but in practice, this is subject to severe restrictions. Depending on the locality, land allocation to households is occasionally revised to take account of births, deaths, and migration. Long-term absence from the village may lead to the loss of the household land plot. Change of household registration leads to the revocation of the right to a land plot for cultivation and to build a house. Rural households receive little or no compensation for giving up user rights on the allocated land. This arrangement is in effect tantamount to a tax on leaving farming completely. The close connection between the land tenure and the household registration indicates that a change in the framework that underpins the latter, such as the distinction between “agricultural” and “non-agricultural,” has important repercussions on the allocation of land to rural households. The implication is that these have to be taken into account when considering a change in the household registration system. In sum, compared with the hypothetical situation whereby after a period migrants automatically acquire the status of permanent residents and rural households are able to sell their leases freely, the current situation raises the cost of permanent relative to temporary migration.

The migration flows and the migrant population of the magnitudes indicated in Table 2 and 3 point to a substantial impact on the rural economy (the origin) and the destination (for the most part the urban economy). To get a more accurate idea of impact, one needs to take into account two facts. First, lone migrants (temporary migrants), who make up a large majority of migrants, are on average away for 8.3 months, not for the full 12 months. Their numbers have to be multiplied by $(8.3/12)$ to obtain the equivalent

number of workers absent for the full 12 months (full-year equivalent). Second, workers who leave permanently no longer have a continuing impact on the rural economy and should therefore not be counted when analysing the impact of migration. Two indices of the economic impact of rural-to-urban migration are the ratio of the number of temporary migrants in full-year equivalent to the rural and to the urban labour force. The figures are presented in Table 4.

Table 4

	2003	2004	2005	2006
Full-year equivalent of temporary migrants, million	61.97	64.69	69.43	73.10
Rural labour force, million	489.71	496.95	503.87	516.09
Full-year equivalent of temporary migrants/ Rural Labour force: %	12.7%	13.0%	13.8%	14.2%

The conclusion is that migration has a significant impact on the rural labour market. The impact is unevenly distributed; in some localities the ratio is high enough to cause a labour shortage in rural localities sending migrants. In terms of this index the impact of rural-to-urban migration should be far greater on the urban than on the rural labour market because the urban labour force is substantially smaller than the rural labour force. For example in 2006, the urban labour force was 41% smaller than the rural labour force. Thus, 132 or so million rural emigrants in 2006, most of whom went to urban areas, amounted to 47% of the urban labour force compared with 26% of the rural labour force. In the rural economy the impact flows through two channels: first, through a rise in household income and second, through a lower labour force employed in the rural economy, especially farming, than would otherwise be employed there. The

latter indirectly raises rural household income by reducing surplus labour in farming.

Composition of the Migrant Population

The composition of the migrant population in terms of gender, age, and educational attainment is of crucial importance in determining the impact of rural-to-urban emigration on the rural and urban economy and society. The crucial feature is that the composition of migrants in terms of gender, age and education is very different from that of the rural labour force or population. Some of the salient issues concerning migrants are associated with this divergence.

Table 5 gives the gender breakdown of migrant workers nationwide and from the three regions at the departure points. There are two notable points about the figures. First, conforming to the pattern in many countries a large majority of migrant workers are male, though women make up a substantial minority. Further, the percentage varies across the regions. It is the highest in the Coastal Region, followed by the Central and Western Regions. Variation in the gender balance is even more marked across cities receiving migrants. For example, in Shenzhen and a number of cities and towns in the Pearl River Delta, women constitute a large majority of migrant workers.

Table 5: Gender Composition of migrant workers - % of Women at Origin

Nationwide	33.7%
Coastal Region	37.4%
Central Region	26.0%
Western Region	23.6%

Second, compared with their male counterparts, women migrant workers tend to be younger. Related to this, they are more likely than male migrant workers to be

unmarried. The age profile and the marital status of women migrants reflect a prevalent life cycle pattern of rural women. Many of them do not continue education beyond the age of 15 or 16 and remain single for several years before getting married. It is during this period that many of them become temporary migrants.

To bring out the interaction of age, gender, and migration, Table 6 presents the data for 6 categories: male, female, and all (both male and female) for the rural labour force, including migrants, and for just migrant workers. The last entry in each column gives the median age, which is the summary statistic for the age distribution of the category. There are two notable points about the table. First, both male and female migrants, which are respectively sub-categories of male and female members of the rural labour force, are clustered at the younger age end of the distribution and have very few older members. Only 19.6% of male migrant workers are aged 40 and above, compared with 45.9% of the male rural workers. Accordingly, the median age of male migrant workers is 8.2 years less than that of their counterparts in the rural labour force, 27.7 compared with 36.9. The age bias is even more pronounced amongst female migrant workers; only 14.4% of them fall in the age range 35 and above, compared with 57.7% of females in the rural labour force. The median female migrant worker is 15.1 years younger than her counterpart in the rural labour force.

Table 6: Age Composition of Rural Labourers and of Migrants by Gender
(%)

Age Range	Male		Female		All	
	Rural LF (1)	Migrants (2)	Rural LF (3)	Migrants (4)	Rural LF (5)	Migrants (6)
15-19	15.1	13.3	14.7	28.4	14.9	18.3
20-24	11.9	24.2	11.1	33.7	11.5	27.1

25-29	8.5	16.8	7.5	14.2	8	15.9
30-34	8.6	13.2	9.1	9.2	8.8	12
35-39	10.1	12.9	11.4	7.4	10.7	11.2
40-44	9.5	8.3	10.4	3.7	9.9	6.8
45+	36.4	11.3	35.9	3.3	36.1	8.7
Median Age	36.9	27.7	37.3	22.2	37.2	25.4

Second, the age profiles of males and females, while very similar in the rural labour force, are very different amongst migrants. Across the age ranges the differences between Columns (1) and (3) are minor, as are the corresponding median ages: 36.9 and 37.3. But the differences between Columns (2) and (4), which refer to male and female migrants, are very marked. Female migrant workers are heavily concentrated at the younger age end of the distribution—as high as 62% of them fall in the narrow age band of 15-24 years. In comparison, male migrant workers, although generally young, are more spread out across the age ranges. Particularly striking is the wide gap in the youngest age band of 14-19 years, with a high 28.4% amongst female migrants and less than half of that, 13.3%, amongst their male counterparts. This may be a reflection of the general phenomenon of lower educational attainment amongst females than amongst males (see Table 8 below). The gap suggests that whereas girls predominantly finish education and enter the labour force upon completing the lower middle school, a higher percentage of boys than girls go on to the higher-middle stream and therefore enter the labour force later.

To summarize, the median female migrant is young, just over 22 years of age. She entered the labour force at 15 upon finishing the lower middle school, or after 9 years of basic education. She left to work in a city soon after her 20th birthday. Her sojourn as a migrant worker ends a few years later upon marriage. The median male

migrant worker is 27.7 years old, almost 6 years older than his female counterpart. It is likely he also finished education after the middle school but with some possibility of a period in the higher-middle school stream. He left to work in a city a few years later than his female counterpart. Unlike with her, marriage did not mark a major break in his stint as a migrant worker. Further, his work history consisted of an alternating sequence of work spells in the city and the countryside.

Turning to the educational attainment of the migrant workers, Table 7 presents the distribution of educational attainments for each of the three regions.

Table 7: Educational Attainment of Migrants

	Illiterate	Primary	Lower Middle	Upper Middle	Middle Occupational	Higher
All China						
Coastal	0.8%	12.6%	67.0%	12.7%	5.0%	1.9%
Central	1.4%	14.6%	68.1%	11.7%	3.0%	1.1%
Western	4.5%	24.4%	59.4%	9.2%	2.0%	0.6%

Starting from the lowest rung of educational attainment, there is still a substantial minority that has less than 9 years of mandatory education, which was promulgated in 1986. This includes the illiterates and those with only 5 years of schooling (the primary level). Their percentage ranges between 13.4% in the Coastal Region and as high 28.9% in the Western Region. A large majority, 65.4% countrywide, has just 9 years schooling, up to the lower middle school.

By way of comparison, Table 8 presents the data on the educational attainment of migrant workers (all regions taken together) and the rural population aged 15 or more, which is a close proxy for the rural labour force. Comparing across educational levels, it is clear that migrants are a significantly better educated section of the rural

population. This is due to the fact that migrant workers are predominantly young (Table 6 above) and have benefited from improvements in rural schooling. Nevertheless, the educational attainment of migrants is low. Almost a fifth of them, (18.5) are illiterates or have had only 5 years of schooling, compared to the target of at least 9 years of schooling for all. Further, the educational level of female migrant workers is significantly poorer than that of their male counterparts.

Table 8: Educational Attainment of the Rural Population, Above-15
(%s)

	Illiterate	Primary	Lower-Middle	Higher Middle	Higher
Migrants	2.0%	16.5%	65.4%	11.4%	3.5%
Rural Population, 15+	11.8%	39.9%	40.8%	6.6%	0.9%
Of them Male	7.0%	38.4%	45.2%	8.3%	1.1%
Of them Female	16.8%	41.5%	36.2%	4.8%	0.7%

What are the implications of the low educational attainments of migrants for the types of jobs they do, and how does mass migration affect the educational attainment of younger members of the rural population or would-be-migrants? Migrant workers are mostly engaged in unskilled and menial jobs, many of which are shunned by local workers. The common occupations for women migrant workers include house maids, cleaners, serving staff in restaurants and hotels, and assembly operations in the manufacturing industry. There is a close correspondence between the low educational attainment of migrant workers and the jobs they commonly have. The causation runs from low education and lack of skills of migrant workers to the job types. The implication is that migrant workers would get better jobs if they continued schooling beyond the lower-lower middle level.

In general, migration widens employment opportunities and should thereby raise return to education and increase the economic incentive to acquire further education. However, this may not be valid in some cases for two reasons. First, in some cases individuals are assigned to jobs on the basis of not only individual qualifications but also the prevalent characteristics of the group to which they belong. Thus, a migrant worker who continued education beyond the lower-middle level may still get the same jobs assigned to the large majority who did not continue. Second, by opening up the possibilities of getting better paid jobs than those available in the countryside, migration increases the immediate cost of continuing schooling beyond the lower middle level, when reckoned in terms of foregone earnings. The implication is not that further education beyond the mandated 9 years is of no consequence. Rather the argument is that leaving it to individuals to continue education beyond the lower middle level and acquiring skills may not succeed in raising the general level. To accomplish this requires a policy aimed at raising the incentive for the whole group.

Origin, Destination, and Duration

There are three basic features that characterize migration circuits: origin, destination, and duration, including whether permanent or temporary, and if the latter, the length of absence. Leaving aside duration, Table 6 presents an overview of the circuits of migration in terms of origin and destination in respect to the three regions. In the matrix the rows denote the origin and the columns the destination. That the same three regions appear in both rows (origin) and columns (destinations) signifies that internal migration neither adds nor subtracts from the total population, i.e., it constitutes a “closed system.” There are 9 different combinations of origin and destination, each of which denotes a migration circuit, and these are represented by 3x3

matrix bordered by a thick line. The entries in the matrix are expressed as percentages of the total number of migrants instead of the number of migrants, and can be alternatively regarded as the frequency of use of a particular migration circuit. This facilitates comparison and indicates for each migration circuit the percentage of migrants using it. As the sum of entries is 100, the entries can be grouped in various ways and presented as distributions.

All of the nine entries are positive which implies that regions do not neatly separate into sending and receiving regions. For the purposes of the analysis of migration pattern, the circuits of migration can be grouped in the following three ways:

- a two-part division between intra and inter-regional
- a three-part division in terms of destination
- a three-part division in terms of origin

The intra-regional circuits, with the same region as sending and receiving localities, are represented by the three diagonal entries in the matrix, which are underlined, and their sum indicates the percentage of migrants moving within the same region. Correspondingly, the sum of six off-diagonal entries denotes the percentage of migrants moving across regions. The diagonal entries sum to 61.4%, which indicates that a significant majority of migrants move from one location to another within the same region. Here it is worth noting that the Coastal Region accounts for more than half of the intra-regional movement, 33.9% out of the sum 61.4%. As we shall see below, all but a small proportion of migration in the Coastal Region is within the region.

Table 6: Origin and Destination of Migrants

(%s)

→ Destination ↓Origin	Coastal	Central	Western	<i>Distribution by Origin</i>
Coastal	<u>33.9</u>	0.7	0.3	34.9
Central	25.5	<u>12.8</u>	0.7	39.0
Western	10.6	0.8	<u>14.7</u>	26.1
<i>Distribution by Destination</i>	<i>70.0</i>	<i>14.3</i>	<i>15.7</i>	<i>100</i>

The sum of rows, labelled “Distribution by Origin” (last column), gives the percentages of emigrants originating from each of the three regions. The Central Region is the largest source of emigrants, accounting for 39%, followed in turn by the Coastal, and with a wide gap, by the Western Regions. Similarly, the column sums labelled “Distribution by Destination,” gives the percentage of immigrants received by each region. The Coastal Region is by a wide margin the favoured destination of immigrants: i.e., it receives 70% of all migrants, of which almost half are from the Coastal Region itself.

A notable feature is that the distribution of migrants by destination, (the column sums given in the last row), is very different from the distribution of migrants by origin (row sums). The former is heavily weighted towards the Coastal Region, which receives 70% of migrants. In contrast, the latter is more evenly spread with each region accounting for a significant share. The implication is that the impact of migration on recipient localities, and issues associated with the presence of a large migrant population such as housing, schooling, and health care, are of serious concern in a few localities rather than being of equal concern in all towns and cities. This would be even

more striking if one were to examine very fine-grained data on migration in- and outflow at the level of urban districts and rural counties.

In contrast to the communities receiving migrants, the communities sending migrants are far more dispersed. The impact of migration on sending communities include a rise in household income due to repatriated earnings and problems of split households, with one or more family members migrating and leaving behind a part of the family. The problems include the schooling of left-behind children and the care of the elderly.

Comparing the two distributions component by component, for each region the numbers of emigrants is different from the number of immigrants by a substantial margin in the Coastal Region. The implication is that the process of migration in China redistributes population across three regions. The scale of redistribution is given by the figures of net migration, which for a region is given by the difference between the number of immigrants and emigrants. The data on net migration for the three regions is presented in Table 7. A positive sign denotes a net inflow and a negative sign denotes a net outflow. Given that the figures in Table 7 refer to internal migration, the sum of regional in/outflow is equal to zero. Internal migration simply redistributes the population but does not change the total. There are two notable points concerning Table 7. The notable feature is that the net in/outflow of migrants is a small percentage of gross migration, 35.1%. This is due largely to the fact that 61.4% of migration is intra-regional which by definition does not contribute to net migration. However, migration does result in a redistribution of population/labour force from the Central and Western Regions from the Central and Western Regions to the Coastal Region. The division "inter/intraregional" depends crucially on the scale of regions. Broadly speaking,

the smaller the regions the higher will be the share of the inter-regional component in migration. For example, taking provinces as regions will increase the percentage of interregional migration in the total.

Table 7: Net In/Outflow of Migrants
(%s)

Region	Net In/Outflow
Coastal	35.1
Central	-24.7
Western	-10.4
Sum	0

The pattern of net in- and outflow also indicates the likely outcome of the abolition of all restrictions on migration and settlement, that is, a substantial inflow of migrants into the Coastal provinces from the Western and Central Regions.

The pattern of immigration and emigration across regions becomes clearer when entries are expressed as percentages of the regional totals of immigrants and emigrants, which are the same at the national level, but differ across regions at the sub-national level. Table 8 presents the entries as percentages of the numbers of immigrants into each of the three regions. Thus, each column in the 3x3 matrix bordered by a thick line shows the composition of immigrants in terms of their origin for each of the three regions separately.

Table 8: Origin of Immigrants by Regions
(%s)

→Destination ↓Origin	Coastal	Central	Western
Coastal	<u>47.8</u>	5.5	1.4
Central	32.2	<u>86.5</u>	3.1
Western	20.0	7.9	<u>95.6</u>
Column Sum	100	100	100

The notable feature is that whereas slightly over half of the migrants arriving in the Coastal Region (52.2) are from outside the region, a vast majority of immigrants in the Central and all but a small percentage in the Western Region are from the region itself.

Similarly, Table 9 presents the entries as percentages of the numbers of emigrants from each of the three regions, which shows the destination of emigrants from each of the three regions. In both the Coastal and the Western Regions a majority of emigrants move to another locality within the region.

Table 9: Destination of Migrants by Regions
(%s)

→ Destination ↓Origin	Coastal	Central	Western	Row Sum
Coastal	<u>97.2</u>	2.1	0.8	100
Central	65.4	<u>32.8</u>	1.8	100
Western	40.6	3.0	<u>56.4</u>	100

Of the migrants originating from the Coastal Region all but a very small

percentage remain within the region itself. The same is true of the Western Region except that the percentage remaining in the region is much smaller than that in the Coastal Region. In a stark contrast only a third of migrants originating from the Central Region stay in the region.

Duration

As pointed out above (Table 2), close to 80% of migrants are lone individuals with their households remaining behind in the countryside. Most, if not all, of these must be temporary migrants who will be returning to the countryside. Many of these would be repeating the round trip in future. Temporary migration raises the issue of the duration of migration. Table 10 presents the data on the length of absence of migrants from the countryside. The sample consists of lone individual migrants and excludes migrants leaving with their families. The information on duration is collected retrospectively.

Table 10: Duration of Migration

DESTINATION	MONTHS		
	1-3	3-9	>9
Coastal	3.7	30.7	65.6
Central	10.2	47.4	42.4
West	12.7	46.2	41.0
Total	6.0	35.6	58.4

The length of stay depends on the destination. Almost two-thirds of migrants in the Coastal Region, around 47%, stay 9 months or more. In contrast, the percentage of migrants staying 9 months or more is substantially lower in the Central and Western Regions. The pattern raises two issues: first, the likely reason for the difference and second, the implication of the length of duration. The most likely reason for a longer

stay is a longer employment contract, which is more common in the manufacturing than in the construction industry. Here it is interesting to note that the largest employer is the manufacturing industry in the Coastal Region but the construction industry in the Central and Western Regions.

Policy Implications Scale and Duration of Migration

The migration flows are substantial and the migrant population is huge, even relative to China's massive population. To a degree this is due to the *hukou* system that impedes the absorption of migrants; as a result individuals continue to be classified as a "migrant" for much longer than in other countries. The sheer number of migrants suggests the necessity of a concerted and coordinated policy response to deal with the issues created by migration and migrants, such as basic education of migrant children, health care, housing, and social protection of the migrant population. As pointed out above, policy initiative in the above areas need to be backed up by substantial government expenditure and that over a considerable period. In most cases the expenditure is too large to be undertaken by the relevant government tiers without transfers from higher government tiers. What is needed is a fund, which is replenished at regular intervals, say every year, that finances initiatives concerning migrants, such as enrolling migrant children in the local state schools.

Although much of migration is temporary in that 80% of migrants are lone individuals with their households remaining behind in the countryside, the average length of stay is not short. It is over 8 months, which is three-quarters of the year. Further, for many workers, migrating to a town or city is not a one-off but a repetitive activity. The implication is that in case of many a migrant, the qualification "temporary" does not mean "short-term" because they may be spending most of the time in a city year in and year out. The conjunction of "temporary" and "medium- or long-term" may be source of some problems concerning migrants. For example, a percentage of migrants may be living in a make-shift accommodation on a long-term

basis because they view their stay as temporary even though far from short. A resolution to the problem lies in granting a change of status after a period of living and working in a city.

- **Positive Selection & Negative Impact on the Countryside**

Rural-to-urban migrants are generally younger and better educated members of the rural population. Further, the percentage of women and children amongst emigrants is significantly lower than their respective percentage in the rural population. Migration leads to an increase in rural household income but it also has negative consequences such as split households and the exodus of the dynamic segments of the rural society. Thus, the negative impact of continued migration on the sending communities in rural areas falls disproportionately on the elderly, children, and women left behind in the countryside. It is to these groups policies to compensate the adverse impact emigration from the countryside have to be directed.

Notable among the adversely groups are a large number of children left behind in the countryside by their parents working in cities. They are looked after by relatives, in many cases by elderly grand parents who themselves may need personal care. The problems of “left-behind children” have not received as much attention those of children who accompany their parents to cities. There is a need for the establishment of a national fund that is available to finance initiatives aimed at migrant children in urban areas and “left-behind” children. These initiatives could take the form of the establishment of boarding schools and the setting up of a network for the personal care of the “left-behind” children. There are examples such grass roots organizations, both governmental and non-governmental, undertaking such initiatives. But the problem is too large in scale and too dispersed to be left entirely to local initiative.

- **Patterns of Migration**

Regions, whether sub- or supra provincial do not neatly divide into sending and receiving localities. Migrants originate from widely dispersed rural localities, but their destinations are comparatively few urban localities. The impact of migration on recipient communities is far more visible than that on the sending communities. As a result, the focus of the policy concerning migrants has been biased towards the urban end rather than the rural departure points of the migration circuits. It is time to restore balance and give more importance to issues concerning out-migration in the countryside.

Poverty and Deprivation Among Migrants

Migrants suffer multiple disadvantages, which may be grouped under three headings:

1. Low income/expenditure. There are competing arguments in favor of using income or expenditure as the indicator of poverty, but the general approach of using a money measure remains the same, so in this context income/expenditure are used interchangeably.
2. Specific deprivations in various dimensions, e.g., poor housing and foregoing needed medical care.
3. Social exclusion or lack of power.

There are a number of issues involved in defining and measuring poverty. Is the focus solely on material aspects of life, or does it also extend to the social and cultural aspects? Is the concern with what may be achieved on the basis of disposable resources, or with what is actually achieved? Given that most rural-to-urban migration is circular, a temporary stay in a town or city followed by a return home, how crucial is the time dimension of deprivation?

Each of the above represents a particular aspect of poverty. They overlap, but only partially and each aspect is relevant for policy. The implication is that alleviation of poverty amongst migrants requires a combination of policies directed at various disadvantages, rather than just one, such as low income.

The average wage rate of migrant workers is Rmb 783 per month, slightly less than half of the average wage of local workers in towns and cities. The wage rate among migrants varies regionally: the regional averages are Rmb 794 p/m in the Coastal Region, 718 p/m in the Central Region, and 706 in the Western Region. Further, it

varies by gender; the average wage rate is lower for female migrants than for male migrants. It also varies by age and education. The minimum wage provision, whereby local governments fix the local wage rate for their locality, also applies to migrant workers. In principle, if a migrant worker is employed and paid the minimum wage, then his/her income is higher than local poverty line as defined by the “Minimum Living Standard Assistance” (MLSA). The local government is expected to observe the following ordering when determining the following, defined on the monthly basis:

MLSA Allowance < Unemployment Insurance Allowance < Minimum Wage Rate

However, the officially set minimum wage rate is not fully enforced. There are numerous instances of migrant and local workers receiving less than the statutory minimum. Because of their low bargaining position, the violations are more frequent among migrant than among local workers. More serious is the delay or the non-payment of wages. The problem was particularly serious in 2003, when the central government started its campaign against non-payment of wages. It has since diminished but far from disappeared and is still common in the construction industry.

Recovering wage arrears is made difficult by the indirect recruitment of migrant workers, whereby a contractor recruits the workers and supplies the recruited workers to various enterprises according to demand. The new labor contract law that came into force on 1 January 2008 should make it easier to pursue claims of unpaid wages.

Turning to the poverty line, the usual analysis of poverty is conducted in terms of expenditure or income required for meeting basic needs. Depending on what it is used for and who determines it, a poverty line can be either:

- just a diagnostic line
- or both a diagnostic and a “benefit line” (line used for poverty relief)

The two are in principle distinct and can be very different. The diagnostic poverty line is purely for the purpose of identifying the poor. It is not constrained by how to provide assistance to those below the poverty line. Such a line can also serve as a benchmark for assessing the adequacy of the existing benefit lines and setting a horizon for poverty alleviation. A notable example of such a line is the \$1-a-day line. In contrast, the benefit line serves to identify recipients of social assistance and determine the magnitude of assistance. Therefore, it is directly affected by the concern with the financing of assistance. The obvious example of a “benefit line” in the Chinese context is one used to determine eligibility for MLSA, i.e., a household is entitled to an allowance when its income per head falls below the line determined by the local government. For most migrant workers, the MLSA line is not relevant because they are entitled to MLSA in the locality of origin, not where they are actually living and working.

What line should be used to analyze income/expenditure poverty amongst migrants? The answer is that it cannot be one poverty line because of two crucial differences between migrants: first, the duration of their stay in an urban locality varies very widely and, second, while a large majority of migrant workers is separated from their households, which are still in the countryside, a percentage of their households accompany them. The latter group will grow in numbers over time because they are less likely than the former to return to the countryside. Whether the household is split between the city and the countryside or is entirely in the city matters because the household is the unit of consumption based on the sharing of incomes. Further, the official poverty lines are very different for urban and rural areas and so too is the cost of

living. Whereas the official poverty line for rural area is Y683 person/year, the urban poverty lines, as used for providing MLSA ranges between Y1,200–Y3,600 per person year with an average of Y2,016. A rural poverty line calculated from an integrated urban-rural household survey and a consistent definition of income, which currently does not exist, would still differ from the urban poverty line because of differences in the cost of living.

There are strong arguments in favor of treating migrants with their households in an urban locality in the same way as the local population for the purposes of analyzing poverty and providing assistance, after a period such as 6 months, which is the time period used in Chinese statistics to distinguish between visitors and migrants. But there is no clear cut choice in the case of migrants with split households. There are two possible alternatives. The first is to use a weighted average of rural and urban poverty lines with weights being equal to the split of household members between the city and the countryside. The second is to focus on individual migrants as urban units and disregard the part of their households still in the countryside. Both alternatives suffer from disadvantages, but the second is preferable as being more transparent.

How does the incidence of income/expenditure poverty amongst migrants compare with that among local workers? An answer is provided by an analysis of a one-off survey conducted by NBS in 1999 (hereafter referred as the 1999 survey) aimed at collecting data on issues concerning the urban population, such as housing and migration as well as income and expenditure. In contrast to the sample of around 39,000 used for annual urban household surveys, the 1999 survey used a sample of 137,000 households supplemented later by an additional sample of 3,600 immigrant households. The additional sample was collected because the first sample contained too few immigrant households, only 2.6% of

the total. Sampling was restricted to immigrants who have been resident in the current locality for at least 6 months. The data sample covers 146 cities, 80 county towns, and 72 townships drawn from all 31 provinces. Aside from the population censuses, the 1999 survey provides by far the most comprehensive coverage of the urban population.

However, the data set is not well designed for poverty analysis for three reasons. First, the 1999 survey collected household income and expenditure only for the month of August 1999, when the survey was conducted. Neither income nor expenditure is evenly spaced over the year. As a result, income and expenditure reported for one month is likely to show much greater fluctuation than would monthly income and expenditure obtained by dividing the yearly total by 12. For example, whereas the 1999 survey records a significant number of households with zero incomes, annual household surveys report none. Second, unlike the annual urban survey, the one-off survey did not collect data on components of expenditure, which rules out the possibility of focusing on comparatively regular items of expenditure, such as that on food, for the purposes of poverty analysis. Third, the income and expenditure data in the 1999 survey are subject to a high margin of error because they are based on a one-off response by sampled households rather than on several visits by surveyors.

Two related implications follow from the above considerations. First, the poverty rates obtained from the 1999 survey are not strictly comparable to those obtained from the regular annual household survey. The former is likely to be higher than the latter because of the comparatively high dispersion of income and expenditure in the 1999 survey. Second, the analysis of poverty amongst immigrants has to be from the comparative perspective of poverty among permanent residents. Around 95% the sample in the 1999 survey is comprised of permanent residents, which makes the

survey biased. To ensure comparability between migrants and permanent residents a matched sub-sample was selected from the 1999 survey as follows: in the first round, all households with zero income were excluded. In the second round, for each of the 31 major cities a sub-sample of permanent resident households was selected on a random basis such that their number is the same as that of immigrant households. The 31 cities, which cover all the major urban centers, include 26 provincial capitals and 5 other major cities: Dalian, Ningbo, Xiamen, Qingdao, and Shenzhen.

The 1999 survey does not provide any information on expenditure other than the total for one month. This makes it impossible to recalculate the poverty lines for the 31 cities using the method outlined in Ravallion. As a result, the incidence of poverty among residents and immigrants is analysed in terms of the poverty lines for 31 cities calculated from the 1998 annual urban household survey. These lines are reported as part of Table 1 below.

Table 1: Comparative Poverty Rates, Migrants, and Locals

	<i>Poverty Line</i>	<i>Poverty Rates</i>		
		<i>Locals (loc)</i>	<i>migrants (mig)</i>	<i>(mig/loc)</i>
Beijing	3118	4.6	10.3	2.3
Tianjin	2912	3.5	11.9	3.4
Shijiazhuang	2706	5.1	13.3	2.6
Taiyuan	1894	14.9	17.4	1.2
Huhot	2144	23.0	28.7	1.2
Shenyang	2118	22.9	15.0	0.7
Dalian	2901	14.1	14.3	1.0
Changchun	2048	8.3	8.1	1.0
Harbin	1899	7.1	7.6	1.1
Shanghai	3652	5.8	18.3	3.1
Nanjing	2972	9.5	29.0	3.1
Hangzhou	3414	7.1	7.8	1.1
Ningbo	2940	3.7	5.7	1.5
Hefei	2283	12.2	10.9	0.9
Fuzhou	2161	3.8	2.7	0.7
Xiamen	3543	8.2	2.0	0.2
Nanchang	1747	12.8	19.0	1.5
Jinan	3017	11.0	39.3	3.6
Qingdao	3209	16.8	12.1	0.7

Zhengzhou	2504	11.2	20.5	1.8
Wuhan	2428	6.3	15.1	2.4
Changsha	2488	8.4	5.0	0.6
Guangzhou	4221	9.2	15.0	1.6
Shenzhen	6227	0.0	16.9	
Chengdu	2742	17.2	10.7	0.6
Chongqing	2612	16.9	9.4	0.6
Xian	2644	27.5	17.9	0.7
Lanzhou	1676	8.6	12.5	1.5
Xining	1668	16.2	9.8	0.6
Yinchuan	2547	11.4	22.7	2.0
Urumqi	3026	14.2	54.0	3.8
All Cities		10.3	15.2	1.5

A notable feature of the table is the strikingly high poverty rates in some cases: for example, amongst locals in Huhot, Shenyang, and Xian and amongst immigrants in Huhot, Nanjing, Jinan, Zhengzhou, Yinchuan, and Urumqi. Also notable are the wide variations in the poverty rates both amongst locals and immigrants. These two features partly reflect the type of data used to derive the poverty rate. On average (the last row entitled “All Cities”, Column 3), the incidence of poverty amongst immigrants is around 50% higher than amongst locals, a figure that appears plausible. One may also note that in 10 out of 31 cities (almost a third) the poverty rate amongst immigrants is lower than that amongst locals, which emphasizes the point that the poverty rate amongst migrants should not be assumed to be always higher than among permanent residents.

Migrants occupy a disadvantageous position in the urban labor markets. They are restricted to jobs that permanent residents do not want. Moreover, they may receive a lower pay for the same job than permanent residents do. Given these facts, the presumption is that the incidence of poverty is higher among immigrants than among permanent residents. This may well be true in many instances. However, the conclusion is not automatic and may not always hold. Here, two considerations are relevant. First, low pay does not automatically translate into poverty. The chances of a person in full-time employment falling below the poverty line are low because poverty lines are low relative to the corresponding local average wage. Second, the unemployment rate among immigrants may be lower than that among permanent residents. The reason is that decision to migrate may be conditional on the promise of job. Further, a migrant may have an incentive to return home upon losing a job and returning to the locality when another job appears likely. In contrast, a permanent resident may have no other option but to remain in the locality.

There is a significant problem of income poverty amongst migrant workers. Earnings of migrants are unequal, and a percentage may have incomes that fall below the local minimum wage or even the local poverty lines. For example, in a survey of 1,269 migrants conducted in Shenzhen in 2004, 7.0% of the sample had a monthly income of less than 450 Yuan, which was lower than the local minimum wage of 465 Yuan per month and in some cases, even the local poverty line. The other dimension of income poverty is variability. In some cases, earnings may average to a figure higher than the local poverty line but fall below the local poverty line for a significant period. This is highly likely when wages are paid with a delay, as frequently occurs with migrant workers and in the case of casual workers.

Ultimately, one must recognize that poverty lines— however defined—will always represent an arbitrary cut-off point that, alone, may not offer the best guide for policymaking. More important than searching for the ‘single best’ poverty line is to explore the sensitivity of poverty estimates to the choices and assumptions behind the statistics, as well as the use of alternative lines and measures.

Specific Deprivations

Often, it is not transitory or chronic income poverty so much as other specific deprivations that weigh heavily upon migrant workers. These deprivations include:

- Crowded and cramped housing short on basic facilities.
- Unsafe work environment.
- Foregoing medical care or resorting to self-medication when ill. Migrants are more likely than locals to be in jobs without medical insurance and because of their household registration are not entitled to medical assistance.
- Obstacles and impediments to migrant children receiving basic education and their poor educational record.

These deprivations affect a much larger percentage of migrant workers than does income poverty. They constitute the principal obstacles in achieving the goal of removing all unjustifiable differences between the sections of the population and building an integrated labor market that spans both urban and rural areas.

These deprivations are mutually reinforcing and have knock-on effects. For example, crowded and unhygienic housing increases the risk of illness and is conducive to epidemics or pandemics. Similarly, poor housing may contribute to a poor educational performance among migrant children. Another dimension of specific deprivations is that because of their impact on children, they carry on to the next generation.

Lack of Power and Social Exclusion

Migrants suffer from handicaps that do not affect local workers, or not to the same degree. Inordinate delay in the payment of wages is one of these, and the other is the practice of employers impounding the ID cards of migrant workers.

The issue here is not economic, but one of social status. The remedy lies in changing the structure and rules that segment the population into groups with different privileges and benefits. Broadly, although unintentionally, this is what the distinction between holders of agricultural *hukou* and non-agricultural *hukou* has engendered, and the goal should be to create one class of citizenship where all have the same rights and status. One specific remedy is to give migrants a voice. Now, problems concerning migrants are identified by outsiders (non-migrants). Migrants themselves do not play any significant role in voicing their problems or disadvantages, nor do they play any role in proposing corrective policies. As an example, one way to give a voice to migrant workers is to require all enterprises employing a significant number of migrants to have a consultative committee and/or legally backed complaints mechanism. Another measure would involve strengthening and widening the remit of the joint office established by the State Council (see Chapter 3), which at present has a focus on skills training and labor market integration, to provide a wider overview of the process of migration and the welfare of migrants. Issues affecting migrants form part of the work of numerous different government departments. Given the importance of migration and the number of people affected, there are strong arguments for establishing a body with overall responsibility for the welfare and economic issues concerning migrants and their households.

Policy Implications

Income poverty is less of an issue among the migrant population than in the population as a whole. As pointed out in Section I, migrants are predominantly young. Given that rural-to-urban migration is primarily driven by economic difference between the countryside and cities, migrant workers are highly motivated to take up employment. Two measures that can have a substantial impact on reducing the incidence of income poverty among migrants are: first, a more vigorous enforcement of the minimum wage and second, continuing and strengthening the campaign to eliminate long delays in the payment of wages.

Specific deprivations, such as foregoing needed medical care in case of illness; poor and crowded housing; dangerous, unhealthy working environment; and low educational attainment are far more serious issues among migrant workers than is the incidence of income poverty. The government has removed the nexus of laws and regulations that served to discriminate against migrants. This is an important step but not sufficient to end the disadvantages from which the migrant population suffers.

The specific deprivations from which migrant workers suffer are not particular to them; they also affect the urban poor, albeit less seriously. The implication is that what is needed is a vigorous policy to deal with specific disadvantages, such as substandard housing, poor educational attainment, and ill health due to shortcomings in curative medical care and public health policy.