Seminar on Migration and Development: Reflecting on 30 Years of Policy in China.

SSRC-DFID-UNDP

Complete Meeting Transcript in English

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Speakers
- “Is China's Policy towards Migration Consistent? The Role of Policy and Unfinished Reform”
  Professor Cai Fang, Chinese Academy of Social Sciences

- “Has the Social and Economic Status of Migrant Workers Improved Recently?”
  Professor Li Shi, Beijing Normal University

- “Migration and Rural Communities”
  Professor Ye Jingzhong, Chinese Agricultural University

Jennifer Holdaway (SSRC):
First of all, welcome to this seminar. I understand that it is very difficult to find time to attend another meeting, especially at the end of the year, when everyone is very busy. So thank you very much indeed for coming.

Recently, the British Department for International Development (DFID) has organized a series of meetings to review China’s experience of reform over the past 30 years and explore what we can learn from China’s experience and what the implications are for other countries. Different meetings have different topics. Today’s seminar will focus on the relationship between population migration and development. As someone who has been working on migration issues at the Social Science Research Council for several years now, I am very pleased that DFID has selected this topic as the focus of one of the sessions.

I’d like to thank Arjan de Haan for asking us to organize this seminar, and I’d also like to express my thanks to UNDP for collaborating with us and hosting the meeting here.

Before we start, I’d like to explain a little about the background to the meeting and our goals today. First of all we will consider how much we actually understand about the relationship between population migration and development. And in this context I think it’s important for us to consider not only the relatively short-term, direct impacts, but also the longer-term,
and more indirect effects, and to consider which groups of people have benefited from migration and which perhaps, relatively speaking, may have experienced negative effects.

Secondly, if it is the case, and many people think it is, that the relationship between migration and development in China has been relatively positive in comparison with the experience of other countries, why is that? Is it the result of the policies adopted by the government or is it due to other factors, such as historical background, or the role of fundamental social, economic and political structures? And, if certain specific policies have played a role, which of them have been relatively successful and which have been less effective?

Finally, what are the implications of the relationship between migration and development in China for other countries? What aspects of this experience are specific to China and which might serve as useful reference for policy in other countries? I hope we can bear these three questions in mind as we continue our discussion.

I’d like to say just a few things about the organization of the meeting. Today three distinguished scholars will introduce their latest research results and thoughts about the questions at hand. Then, we will have about an hour and 30 minutes for free discussion.

We have a lot of people in the room today who have different experience and perspectives on these issues, so I am sure we will have a very interesting debate. Since most of the participants are either Chinese or foreigners who speak Chinese, we decided to conduct the meeting in Chinese. This way the discussion will be more natural and lively.

That’s all I’ll say for now. Arjan, would you like to say a few words?

Arjan de Haan: (DFID)
(In English) Thank you very much, Jennifer. Thanks very much to Jennifer and SSRC for organizing this and to UNDP for hosting this. And welcome to everybody. As much as you can welcome people to somebody else’s house, you are very welcome. Two sentences on why DFID is doing this and then I’ll pass it on to Hou Xinan.

DFID of course, as most of you know, has been here for a number of years and over time the way that DFID and the UK has looked at our programs in China has changed. Over time we’ve been paying more attention to finding out what the lessons are from China’s development experience for the rest of
the world. That’s of course important in the sense that China is becoming very rapidly a very important international player. But there is also I feel, as somebody who knew very little about China before coming here, for the international community an enormous amount to learn from China, and those lessons are not easily learned, because of particular historical circumstances, because of language, of course. So one of the things we have done, like UNDP and others, is to try to help to find out what the lessons are from China.

Now one of the ways we did this here was through a seminar series, with a number of different organizations, we picked a number of topics out of the broad theme of China’s thirty years of development, as a means to find out what lessons there are of interest for the international community. One of the activities in that, which was organized mostly by Sarah (Cook), was a panel during the Development Studies Association meeting in the UK. And I think one of the most useful things that came out of that was that the Development Studies Association in the UK, or a group of people within that, decided that there should be a group that would focus on China and what the lessons from China are. So I think that this has been successful in the sense that a growing number of people are looking at China, as we need to know more from China, and there are lessons to learn. And of course we hope that the lesson learning will be mutual.

And so that’s how we looked at this and then of course in discussion with Jennifer (Holdaway), it was very clear that looking at a theme and a discussion on migration would be an essential component of that because you cannot think of understanding the thirty years of success in China without considering the enormous transformation in terms of people moving from rural to urban areas, And of course at this stage there is an additional dimension to it because hundreds of millions of people are in fact moving back again because of the economic crisis. That of course is not part of the reason why this was organized, but I think it gives an additional reason for doing this.

So I look forward to hearing from the three very distinguished speakers and the participants in the discussion. Again, thank you very much and I look forward to a great discussion.

Hou Xin’an (UNDP)
First of all, I am very pleased to organize this seminar together with SSRC and DFID and to see people from various departments, and particularly senior specialists, participating in this workshop. We are very concerned with this issue, especially in terms of society’s response toward migrant workers.
Recently, we have started a number of projects with the Ministry of Labor and Social Security and the Development Research Council (DRC). And also in collaboration with the Ministry of Civil Affairs, we hope to do some work on the community level, so social security, employment and public services - we think these issues are a good entry point to get at the problem of the social integration of migrants.

I think today’s discussion is very timely, particularly because of the recent financial crisis. It’s not just a question of abstract economics, but a direct shock to the real system, particularly in terms of employment. The financial crisis has hit hardest in the export-oriented enterprises in the Guangdong and Zhejiang areas where migrant workers are densely concentrated, and this group of people is the most vulnerable group because they have no safety net of any kind. As a result the outbreak of the financial crisis has exposed some problems in our existing system. That is why I think today’s workshop is very timely, to have you experts discuss these issues. Also, I think we have a lot of work to do in the next stage.

I think it is particularly interesting that we should discuss these issues at the end of the year, and consider how are people going to get through this New Year period? I know quite a lot of professors, like Bai Nansheng, will follow migrant workers as they go back to spend the New Year in their hometowns and see what happens after they go back, how they will manage to get through this New Year. This is a very serious problem. So I hope we may have a very thorough discussion and we are happy to provide everyone with a platform for this discussion. Thank you everyone.

Jennifer Holdaway:
Thank you very much. First, let us invite Professor Cai Fang, Director of the Institute of Population and Labor Economics at the Chinese Academy of Social Sciences to give his presentation.

Cai Fang:
Good morning, everyone. First of all, I’d like to express my gratitude for having this opportunity to discuss migration policy reform and China’s development experience. In fact, if were really able to discuss the shock that migrant workers have suffered this year and how they will get through the New Year, that would be even more interesting. But the topic we are going to discuss was set a long time ago. Of the three issues raised by Jennifer, the first two, one regarding the impact of migration on development, and the second, regarding the role of policy, are topics that we have discussed quite a bit in the past, and I personally have also worked on these issues quite
extensively. But I think the third issue, which refers to the international implications, and what lessons we can draw from that, is rather challenging.

I have been thinking about this issue, but I feel it is quite difficult to give a clear answer to the question. If we consider the impact of migration on development, we can see it clearly from a lot of our research from a lot of different perspectives. And in terms of the role of policy, if we look back we can see the process of introducing various policies at each period of time, and their effects and the reaction to them. We can see the whole process clearly.

This is our experience, but in the end, we still do not understand the exact difference between our experience and that of other countries. If they want to learn from us, I am not sure what they can learn. But I think perhaps it may be more important to understand policy adjustments in the context of the process of the policy reform, the nature of reform and the steps that were taken. So it’s not a question of whether we introduced a specific policy at a certain point in time. This is also very important, of course, but when you decide to introduce a new policy, it depends on past experience.

So what I want to look at is the overall consistency of China’s migration policy. In other words, we can’t say that the today’s policy is good and yesterday’s policy was not good. Instead, we should say that policy in each period is targeted at resolving the problems of that time and is suited to the circumstances of that time. At the same time, even though reform is not yet complete, I am also inclined to consider this to be a necessary part of the logic of reform. That is to say, we need to leave the problems that need to be solved today for today, rather than putting them on the agenda ahead of time.

If we look at labor migration in China, it is indeed a win-win migration. That means that, from the macro point of view, it has solved the problem of resource reallocation and this was the problem it was intended to solve. In other words, allowing the labor force to shift gradually from less productive sectors to more productive sectors. This reallocation of resources will naturally generate benefits.

(PPT1) This is the article I wrote together with Wang Tianwen in 1999. We did some analysis which indicated that during the preceding 20-year period of economic reform, labor mobility accounted for 21% of GDP growth. This is a reallocation of resources. At the same time, we may also see that, as individuals, farming families and the rural labor force also benefited. We used to be very critical, saying that migrant-workers were being exploited, that their wages did not increase for a long time, and that they work in bad conditions. But in fact, we all understand that human beings are rational and they make choices, and we know that these farmers were willing to migrate.
We saw an article recently about a survey of farmers. Farmers said that the most important benefit they have received is that they are allowed to work in urban areas. From this survey we can see that, even before 2002, the total wages paid to migrants working in manufacturing gradually increased, even though their wage levels remained almost unchanged, because of the increasing number of farmers migrating for work. This was just because they were allowed to migrate for work. Of course, with the shortage of migrant workers after 2003, there has been an increase in wages, and the actual pace of the wage increase has also been relatively fast. At the same time, the scale of migration has expanded, resulting in a large increase in the total amount of income due to migration. I think that this analysis shows both the macro-level benefits of resource reallocation, and the micro-level benefits for farmers’ families.

The combination of these two factors may, in fact, help us to understand why we introduced the appropriate policies at a specific point in time in order to adjust the situation of migrant workers.

(PPT2) So I think China’s experience may not be relevant to other countries, because the circumstances differ from one country to another. Recently, the World Bank has conducted some research on this issue. The reform and development of a country is a process of learning, and so we can say the process itself is most important. And in this sense, the nature of the process is key. So I think when we’re choosing a policy or making an adjustment to the system, we usually understand what problems we have in the current system, and it is also easy for us to understand where the strong points of the better system we hope to achieve lie. This is not difficult for researchers or for officials to understand. These two things are pretty easy to understand. But the most difficult thing is getting from here to there — getting to the other side of the river. This is what the Chinese call “crossing the river by feeling for the stones”. But where are the stones? And do we get to the other side of the river? These are perhaps more important core questions.

In particular, it is important to stress that the problem of how to get across the river is not a technical issue. Getting across the river is a process of policy adjustment which involves various interest groups. And interest groups may use their power to influence the whole policy adjustment process. So I want to say that this may be a more important factor when talking about China’s experience.

I think one needs to understand several aspects of migration policy in China in order to have a general understanding of it. One aspect is how to solve the problem of interest groups in the whole reform process. This is an issue of
great concern for researchers working on transition economies, especially the economists. That is to say that while reform in general brings benefits, this does not mean that it is neutral to all parties. Some will benefit, and others will inevitably suffer losses. In other words, the transition economists mostly want to solve the problem of compensation for those who suffer losses and in this way to reduce the political costs of reform, and the risks of reform, and make it possible to realize reform.

First of all, we see that there is very important aspect to China’s reform which is that we have indeed taken care of certain interest groups. We hope that every step we take will result in a Pareto Improvement, that is to say, it will do no harm to vested interests. In China this desire to cause no harm to vested interests has a quite different meaning from the meaning it would have in other countries. Because when we talk about vested interests, we do not mean interest groups that have used their privileged status to gain control of resources, but also ordinary working people. It is clear that those who have a direct conflict of interest with migrant workers are very often urban residents and employees of state-owned enterprises in urban areas. These people actually also belong to the low-income strata, and so they are a group whose income we are trying to raise as part of the reform process. This is the first point to note in understanding policy reform, and it is also why we have to make so many policy compromises from time to time and take interest groups into consideration.

(PPT3)There is another point to understand with regard to the reform of migration policy, which a lot of people have talked about, and that is that there is no blueprint for China’s reform. It seems that all of us understand that we are “crossing the river by feeling for the stones.” as Deng Xiaoping referred to it. And so people have been led to see China’s reform as partial and fragmented. And so [they say that] inevitably, reform in certain sectors may be ahead of others and some sectors may lag behind a bit. We often see quite a lot analysis of reform which claims that reform in some sectors in China, such as reform in commodity markets, is relatively far ahead, while reform of factor markets has lagged severely behind, particularly capital and labor markets. But, in fact, the economic system of a country is a complete system. It operates as a complete system. And the system will only function well as a whole when the parts fit together and are coordinated. If there is one part that doesn’t fit, it won’t play its proper role in the system as a whole. So, no matter whether you look at the economic system as a whole, or whether you look at the individual pieces of reform or the relationship among them, we can see that in fact the logic of reform is complete and not fragmented. Therefore, generally speaking, one cannot talk about certain aspects of reform going ahead, or others lagging behind. This point may also be important in understanding the process of migration policy reform.
The third point in understanding migration policy reform is that we do not have any overall blueprint. Some people may say that this is a limitation of reform and that we had no idea what direction we wanted to take reform in. But in fact, I think this was the right approach. Because, we see that many countries do have blueprints when they start reform, and they understand what they want to do and what objectives they want to achieve. But in the end, we see that they often get stuck in rigid dogmas. Take the Washington Consensus for example, or some other consensus, for example. We do not know much about these and we won’t follow them. Because every step we take is for only one goal - improving people’s incomes and livelihoods. So with this premise, we do not have a blueprint. That is the first point. Second, we do not care what means we use. Those who are in favor of radical or big bang reforms might say that China has adopted a gradual, step by step approach. But in fact this is not entirely the case. For example, the family-based contracting system was a fundamental reform that within a very short period of time led to the fundamental abandoning of the collective-owned economic system and its transformation into a household-based contracting system.

We also know that in terms of labor market reform, we originally stuck to incremental and non-radical reform. But after 1997, we made an extremely radical reform, which could even be called shock therapy. But all these radical, non-radical, incremental and fundamental approaches were in fact all part of the same thing. In the face of different circumstances and opportunities, the approach we adopt may be the same or it may be different. When to introduce a particular policy, and in what manner to do so, is actually related to the conditions of a specific period of time and to what is socially acceptable. That is to say, reform is not confined to one approach.

(PPT4) Based on these observations, we can understand migration policy reform in China and see that it is in fact consistent. This has certain implications. First, there have been some ups and downs and repetition in our policy at different periods of time. At one point, there may be more policy reform initiatives and at other times, reforms may be rolled back or become conservative. For example, in a study conducted by my colleagues and myself we compared the situation in urban labor markets, the extent of their tolerance, and the strength of migration policy reform and whether it was progressing or retreating. The results showed that one of the important variables affecting migration policy reform was whether there was significant employment pressure on urban residents. If people were facing severe employment pressure, then they would use whatever means available to solve this problem. For example, they might use the influence of the media, or work through the People’s Congress to reflect their demands and finally influence policy. In this case, policy might tend to restrict rural-urban
migration. On the contrary, when there is faster development in urban areas and a relaxed employment situation, there will be a large demand for labor, and migration policy will be relatively open and relaxed. At the same time, when examining the issue from a broader perspective, once the relationship between supply and demand in China’s labor market changes from infinite supply to shortage, once it reaches this turning point, our policy environment will obviously become more and more relaxed.

So although there are these kinds of relationship, and there have been some ups and downs and repetition, when we look at the results of each stage, there has actually been no change in the direction of labor mobility as we have introduced market-oriented practices, but only some compromises to specific interest groups at different points in time. And these interest groups, as I mentioned earlier, are not a force opposed to reform, but a problem that needs to be solved by reform. In other words, ordinary urban people and employees must also benefit from reform. They are also the object of our concern. So we should not force migration policy on them at a specific moment just because their conditions have deteriorated. Although our research may prove that the relationship between the two is not like that, there is a term we use in reform called political economy. So to understand this from the political economy point of view, there may in fact be winners and losers. But perhaps this is not the case.

Therefore, we can say that, overall, reform has been moving forward.

There is another aspect to understanding the consistency of migration policy, which is that these gradual policy adjustments have taken place under the control of government. Their rhythm and pace are all controlled by the government. In this way, the government plays a role in guaranteeing the implementation of reform and provides incentives to different groups. In other words, the momentum to drive reform forward depends on the support of the whole society. If the direction and manner of reform will benefit various interest groups, or their interests are in accord, then reform can move forward much more easily. For example, we have continually been balancing the relationship between the migrant labor force and urban employees. We have not just been concerned about migrant workers, or only taken care of the interests of urban employees. Since the 1980's, we gradually started to allow migrant workers to move within rural areas, then to small cities and towns, then to middle-sized and large cities, and then to large cities and across regions. The appearance of the migrant worker boom is actually related to the availability of employment opportunities in urban areas. When employment opportunities were only available with state-owned and collective-owned enterprises, it was not possible to disrupt these people’s livelihoods. If you did, you might say you have taken care of one group, but at
the same time you have harmed another. But as more forms of ownership and employment opportunities were generated through progressive reform, suitable employment channels opened up into which migrant workers could be integrated. Meanwhile, as they came into competition with urban workers, urban employees also began to have other channels open to them. This is one aspect of the relationship.

Another aspect is the rural-urban relationship. The adjustment in migration policy is actually related to the rural-urban relationship. Because, as we know, the first step of rural reform mobilized the enthusiasm of farmers and implemented the family-based contracting system, which greatly increased the income of farmers. At that time, we saw the direct narrowing of the rural-urban income gap. But after that came the start of urban reform in a context where there was no major breakthrough in rural reform. This increased the income of urban employees and we again saw a relative expansion of the rural-urban income gap. But the process in itself was not an obstacle to reform. In fact, this gap between urban and rural incomes fueled labor mobility. In other words, it generated a draw on the labor force. And at this moment, the government continuously relaxed policies restricting labor mobility. With this combination, the scale of labor migration became increasingly larger and larger.

In this large scale process, we knew that the result would inevitably be the narrowing of the income gap between urban and rural areas. If Li Shi does not agree that the income gap between urban and rural areas has narrowed, at least we may say that it constrained the continued expansion of that gap. In fact, today we can try to understand whether it has narrowed the rural-urban income gap or narrowed the income gap in the country as a whole. We know that when Professor Li Shi calculated GDP they analyzed the Gini coefficient, and their analysis included the Gini coefficient for inequality within the urban population, the Gini coefficient for inequality within the rural population, and also the Gini coefficient for inequality between rural and urban areas. It has been shown in quite a lot of studies that the rural-urban inequality accounts for about 50% of the total Gini coefficient. In another study, Wan Baohua found that the rural-urban gap explains about two thirds of the whole Gini coefficient. So this means that if the urban and rural gap narrows, the Gini coefficient will definitely decrease. If that is the case, what can we say is the problem with urban and rural gap that we see at the moment? Of course, many studies say that there are quite a number of gaps that have not yet been identified. But it’s also true that there may be a lot of factors that might narrow the gap that have not been recognized either. But in the end this goes to show that, in any country, the narrowing of the rural-urban gap will eventually depend not on preferential policies from the government but on population migration.
China is experiencing the largest population migration in the history of the world and of mankind, but the aggregate benefits of this migration in terms of improved income have not been captured by the statistics. So we can’t see it. That is to say, we do not include migrant worker households in our urban household population survey, because we cannot solve the practical problems involved. Even if migrants are identified for the sample, they will say that these people will not live here long so we won’t be able to find them again, and as soon as you record them they are recorded for the whole year, so you naturally drop them from the sample. Then in rural areas we only sample long-term residents. Those who are away for over half a year are not counted. So clearly, we have left out a lot of data about the improvement in earnings brought about by migration.

But we did consider this situation in making policy reforms. This has resulted in a situation where at every step of reform, proper consideration was given to the interests of all the groups concerned, and new benefits have been realized without anyone being hurt. It may be that the next step of reform might hurt a certain interest group, but we still tried to make an overall arrangement such that we can use the benefits of reform to compensate people who may possibly suffer. This is called a Kaldor-Hicks Improvement in economics, in other words, you cannot avoid some costs to reform, but as long we have benefits from reform, we can use them benefits to compensate those who suffer.

But in fact, although we can see the consistency of migration policy, in real life what we see may appear to be inconsistent. In other words, when we consider migration policy reform, we may notice that the central government and local governments sometimes have different opinions about policy. The central government wants to increase the income of farmers and reallocate resources in order to achieve greater efficiency. So in most cases, the central government is inclined to favor encouraging migration. But local governments, for example, in migration-receiving areas, may believe that migrants will be a threat to social order and affect the employment situation of local workers. Therefore, they often introduce some policies to discourage migration. In the worst situation, some major cities have set up certain barriers to employment. At same time, the governments of certain areas in the central and western regions have introduced various policies to send out labor migrants. So it seems that there are differences of opinion about policy across various governments and these differences often translate into specific policies and have an effect. But in fact, these policies do not constitute obstacles to reform, but actually help reform to integrate the interests of various parties as far as possible. In this way, we can say that they make reform politically feasible. Another important point, as I mentioned before, is
that the vested interests I am talking about - the winners, and the losers, or the potential losers - are not people with special social status or privileges to rely on. They are just different groups of ordinary working people. So it is extremely important that these different interests can be represented in order to achieve a balanced and stable reform.

The fourth point in understanding the consistency of migration policy relates to the ways in which it is connected with different stages of overall reform and economic development. To give a big example, as I have saying recently, China’s economy has reached a Lewis Turning-Point. That is to say that the unlimited labor supply which was a characteristic of the economic structure for a long time, has gradually disappeared, and to a certain extent a labor force shortage has emerged. This is a fundamental turning point. It’s very clear that until this happened, the whole policy orientation, public opinion and the actual bargaining and negotiating positions in real life, were not favorable to ordinary workers. But after this turning point, we find migrant workers have more bargaining power. And we find that at the same time society has started to be more tolerant of them and that it needs them more. Therefore, we can say that the former gradual and incremental reform that we pursued, which took care of various interests, and had advances and reversals and repetitions, has brought about this result. And we can see that since the beginning of the century migration policy has become more and more consistent, and policy differences between the central and local governments are gradually disappearing, as are differences between the governments of labor sending and receiving areas. Reform has entered a new period in which it is relatively unified in its direction and relatively fast-paced. So we see that because of the Sun Zhigang incident in 2004, within a short period of only two months, we were able to solve a policy problem that has existed for more than ten years. And other symbolic events, such as the Premier and General Secretary helping migrant workers to get their back wages paid, have to a great extent helped solve problems that could not be solved for a long time.

At the same time, the fact that reform has not yet been completed is also in line with its overall logic. The gradualist mode of reform, which took the interests of various groups into consideration, took advantage to a certain extent of particular aspects of our historical heritage, such as the household registration system. And for a period of time this was helpful and the registration system played the role of a pressure valve. But now we have reached a stage in the process of reform where we find that the labor force is now sufficiently mobile but that China is experiencing a kind of “atypical urbanization.” So we found in the 2005 census, that 46% of the urban population – the long-term urban population - have an agricultural residence registration. This means that the migration of labor is playing a major role
and that migrants are tending to stay for relatively long periods of time. There have also been changes in the boundaries (between urban and rural areas). So we can say that this is a form of urbanization that involves changing certain definitions. But it is still logical that this part of the process of reform should be left until now.

From this we may see that we now have three types of population, and one type is people who live in urban areas, but who don’t have urban registration status. We may also see another trend, which is that from 1990 to 2006, the number of townships grew considerably, while the number of villages shrank. The number of streets also decreased, and the number of counties decreased, while the number of cities grew, along with the growth of downtown areas in cities. All these changes have contributed to changes in definitions. And the overall result is an increase in the level of urbanization. This situation has also resulted in some problems. Of course, it has distorted the structure of the rural population and information about the labor market. In fact, the phenomenon we are seeing now, the wave of migrant workers returning home to the countryside, is related to this. And of course it has prevented migrant workers from enjoying normal access to public services in urban areas.

But we can also see that the local governments have also recognized these problems as they have arisen. That is to say, we used to make use of the household registration system to ensure that migration policy reform could proceed gradually and in a stable way. Now local governments have started to initiate reforms to the household registration system themselves. We also know that quite a lot of places eliminated the differences between urban and rural household registrations. But in the process of doing this, they soon discovered that the household registration system is not just a form of registration or a piece of paper. The core of the household registration system is the hidden value of differences in rights to public service and social security and various others things that go with it. When this became clear, we can actually see that at the level of the central government, we have been introducing reforms that cover both rural and urban areas and that will reduce the gap between the urban and rural areas in terms of access to public services and social security. And at the level of local government, many places have tried to directly set up a social security system for rural residents. And now we see a lot of discussion about reforms to enable the continuation, connection and transfer of social security rights.

So this is why we can say that China’s reforms are unique and distinctive. And it’s important to stress the relationship between reform, development and stability. At the same time, there is a logic to the reform process, and that means that even if there are tasks that we have not been able to complete yet, this is also a natural element of this logic.
Thank you.

Jennifer Holdaway:  
Thank you. I think we'll listen to the presentations of all three speakers first and then have the question and answer session. Now let's welcome Prof. Li Shi of Beijing Normal University.

Li Shi:  
First of all, I'd like to thank those who organized this workshop. I am also very pleased to have this opportunity to share our ideas. Just now Prof. Cai Fang gave a very good talk. He made a general assessment of policies toward rural workers and I basically agree with him, because what he talked about was related to issues of the general aspects of the process. What I want to talk about is related to some specific issues, mostly drawing on a recent survey of migrant workers, which has provided some relatively new information and I'd like to report on that to you.

First, we are very grateful for the constant support from the Ford Foundation for this project. We completed the first year of the survey under extremely difficult conditions. We have obtained some data but we haven't been able to perform an in depth analysis yet. We just have some basic information. So today I'd like to give you a brief introduction to the basic situation.

First, as we are discussing the issue of migrant workers, I should point out that there is a difference between migrant workers and the migrant rural population. From a general perspective, we can say that in addition to focusing on the issue of migrant workers, we should also pay attention to the large number of other rural people living in cities.

First, we all know that in 2006 the National Bureau of Statistics conducted the Agricultural Census, which generated a figure of 130 million migrant workers. But this figure does not include the non-employed children and the elderly parents of migrants who went to cities with them. According to our calculations, this group of people is estimated at about 20-40 million. In other words, the total number of migrant workers plus the non-working migrant population in urban areas is about 150 million. Furthermore, another part of the rural migrant population is not included - those who migrate as whole families. This is about 20% of the total. So if these people are added, the total number of the rural migrant population in China’s urban areas would be around 180 million. These are some of the basic data.
We have conducted a survey recently, that we finished in 2006, trying to understand the basic situation of employment and life circumstances of rural workers in urban areas, including information on the age and gender structure of the migrant population, their education level, professional training, distribution across occupations, the percentage employed in enterprises of different types of ownership and their distribution across industries.

This is a comparison of the age distributions of rural workers and local urban workers in the city. The red color indicates rural workers and urban workers are marked in yellow. From this distribution you can see that rural workers are relatively young; nearly 40% of them are under 25 years old. In the 26-40 year old group, the percentage of rural and urban workers is almost the same. The difference is evident in those above 40. The percentage of rural workers in this group is very small. In terms of gender, male rural workers account for a higher percentage. We found in our survey that the percentage of male workers is basically 3% higher than that of female, showing some differences from other statistics. Since our survey was mainly based on families, the percentage of families was relatively larger.

Here we show the difference in education level between rural workers and urban employees. Similarly, you can see that the majority of rural workers are middle school graduates, accounting for about 60%. If those rural workers with primary and below primary school education are added, the percentage of rural workers with an education level below middle school is nearly 80%. Relatively speaking, the education level of urban workers is mainly senior high school and above.

The next issue is the provision of training. You can see that compared with urban workers, the percentage of training received by rural workers is relatively low, about 26%, so over 70% did not have any training. While the percentage of training received by urban workers may reach as high as 40%.

Now let’s take a look at choice of occupation. Compared with urban workers, rural workers tend to go into business, the service industry or manufacturing. This percentage is very high, nearly 80%. The percentage of those working as managers, and technical staff, including general staff, is very low. Of course about 14% of them are engaged in private business or become owners of private businesses. That is the situation with employment.

What is the percentage of migrants employed in enterprises of different ownership type? You can see that 80% of migrant workers are working in privately-owned and individually-owned enterprises. By comparison, 32% of urban workers work in government departments and institutional units, and
20% in state-owned enterprises. Only 29% of urban workers work in privately-owned and individually-owned enterprises. That is to say, there is a great deal of complementarity between migrant workers and urban employees. A similar situation also exists in terms of occupational selection. Migrant workers are generally involved in manufacturing, with business and retail accounting for an extremely high percentage. While the urban workers are generally engaged in the sectors of education, medical care, public service, finance and insurance, etc.

The next issue is related to the wages of migrant workers and the wage gap issue. Prof. Cai Fang just now provided us with a chart showing the changes in migrant workers’ wages. Here I also have a chart which is made according to a survey conducted in 2008. At that time, the monthly wages of migrant workers on average was about 1400 Yuan. This is our latest survey information from 2008. In addition to that, there is a relatively large gap between the wages of migrant workers and urban employees. According to a statistical report from the Ministry of Labor and Social Security, the wages of migrant workers are approximately 70% that of urban employees. So it’s relatively low. More importantly, migrant workers tend to work longer hours. If you just examine the monthly wage, you can see some difference. But when comparing the hourly wages, you will find a larger difference. This is because migrant workers work longer hours, 59 hours a week on average, while urban workers all work on the 8-hour per day system, 40 hours per week. Within the migrant worker sample, the proportion of those working less than 40 hours per week was extremely low, only about 14%, and those working less than 50 hours were only 39%. That means over 60% of migrant workers work for more than 50 hours a week.

This chart shows a comparison of wage income between migrant workers and urban employees. This is the monthly wage income. Here we divide them into ten equal subgroups based on their monthly wage. We can easily see the percentage of urban workers in each group. Among the lowest income group, urban workers account for 46%, but in other low income groups, such as from No. 2 to 5, the percentage of urban workers is less than 40%. The majority in these groups is migrant workers. In other words, this chart shows that the majority of migrant workers are basically distributed in low income groups, and they make up a very high percentage of those with below average incomes.

This chart shows the hourly wages of migrant workers and urban workers as distributed in ten equal subgroups. Obviously, urban workers are a higher proportion of those with high income, while migrant workers are more concentrated in low income groups of which they make more than 80%.
At the same time, we calculated wage gaps among migrant workers. Comparing 2008 with 2005, not much change is evident in the internal wage gap among migrant workers. The Gini Coefficient was about 0.25, which is not very high. The ratio of the income of the top 5% to that of the bottom 5% was 6.7 times. That’s not very high.

In considering the factors that affect the growth of migrant workers wages, one of them is obviously the length of their working experience in urban areas. In our survey, we asked them about the length of their work experience in urban areas (1 year or less, 1 to 3 years, 3 to 5 years, or more than 5 years). The findings showed that for both male and female migrant workers, wages increased with the length of time in urban areas. For example, male migrant workers with less than one year experience would earn 1400 Yuan per month, but those with over five years experience earn a monthly wage of 1800 Yuan. In other words, the yearly increase is about 10%. And the accumulation of work experience in urban areas usually plays an important role in migrant workers’ wage increases.

Given the increase in wages, what is situation of migrant workers in terms of poverty levels? This is very difficult to estimate because there is no official poverty line. So we made a general estimate of the incidence of poverty among migrant workers by using several measures of poverty. Using income, we looked to see what percentage of migrant workers who earned various levels of income: less than 200 yuan or 300 yuan or 400 yuan a month. And you can see that if you take 200 yuan as the poverty line then the incidence of poverty among migrant workers is less than 1%, and if it is 300 yuan, then it is still only 0.8%. But this is using income. But you use levels of consumption and expenditure to set the poverty line, then the incidence of poverty is very high. So if the level of consumption and expenditure is set at 300 yuan, 8% migrant workers are living in poverty. The reason for this is that the majority of migrant workers do not only think about supporting themselves. They also send part of the income back home. They have to support two households. From this perspective, it is more rational to use consumption than income as a measure when considering the incidence of poverty among migrant workers.

Our data also indicates that of those migrant workers working in urban areas, approximately 5% of households spend less than 3 yuan on food, per person, per day, 17% of families spend less than 5 yuan on foods per person/day, and about 44% spend less than 10 Yuan. And 10 yuan is the minimum living standard line for Beijing. From the perspective of consumption, then, the incidence of poverty among migrant workers appears to be more severe.
Now let’s turn to the issue of social welfare and the labor rights of migrant workers. According to our latest survey, about 36% of migrant workers have signed labor contracts. We can say that the percentage has increased significantly. According to the survey conducted in 2004, the percentage was about 21%. That is to say, obvious improvements have been made in the rate of signing labor contracts in recent years. And this is related to certain government policies in recent years which have played an important role.

Another issue is the situation of social security coverage for migrant workers, including their entitlement to unemployment insurance, retirement insurance, occupational injury insurance and housing support funds. From this chart you can see that the proportion of migrant workers without any kind of insurance is still very high. The proportion of migrant workers without any unemployment insurance is about 86% and the percentage of those without any retirement insurance is 80%. In addition, 81% of migrant workers do not have any occupational injury insurance and 90% of them have no housing fund.

Now let’s look at the issue of the housing condition of migrant workers’ families. 11% of the families have less than 3 square meters of living space per person, about 1/3 of families have less than 6 square meters per person. 20% of families live in houses without any bathing facilities or have to use public bathing facilities, 36% of the families have no kitchen, and 10% share kitchens with others.

Finally, let’s look at the situation of left-behind children. How many children of migrant workers have been left behind and do not live with their parents? According to our survey, about 55% of migrant families left their children in their hometown and only 36% of them take the children along with them. So if the children do not live with their parents, where do they generally live? About 28% of the children live either with the father or the mother. And about 54% live with their grandparents. And about 17% live by themselves or with other relatives.

In our survey, we asked many left-behind children why they are left at home. They gave us several answers, 39% of them believe the cost of living in urban areas is too high, and 16% of them believe the cost of school or kindergarten is too high. Only few of them connected their situation to the unavailability of school or kindergarten in urban areas. In other words, it is not a problem of the availability of urban services, but a problem of expenses and thresholds. Of course, some of them think staying at home is better. And some migrants feel they are too busy to take care of the children.

(Closing remarks) This is the general situation. From the basic findings of
our survey, we feel that in the past few years, the wage level of migrant workers has shown a clear and very large increase. The extent of discrimination against migrant workers in society has decreased, and there has been a certain improvement in their social status. But in comparison with urban residents, very large differences still exist. Discrimination has declined and this is largely due to differences in levels of human capital, including education. Of course things these problems are very hard to solve in a short period of time. The other problem is that the incidence of poverty is also much higher among migrant workers, and this shows itself not only in income but also in their lack of access to public services and social welfare, including labor rights - their rights as workers do not receive adequate protection. And this is important in considering their children. If their educational situation cannot be improved, then there is the risk that after they come to urban areas, migrant workers will become a poor and vulnerable population, and this poverty will continue from generation to generation. This could be a very big problem in China’s urban development.

I would say that what I talked about today is rather complementary to Prof. Cai Fang’s talk. From the latest survey findings, we should say the existing situation of migrant workers is still far away from goals of reform, and efforts are still required from government and people in all circles of life. Thank you.

Jennifer Holdaway:
Thank you. Our next speaker is Prof. Ye Jingzhong, Deputy Dean of the College of Humanites and Development, China Agricultural University.

Ye Jingzhong:
The speeches of the first two specialists are mainly focused on macro-level issues. Now I’d like to give you a briefing on my research on rural communities. These are also recent research findings. Your comments are very welcome. My topic is migration and rural communities. In my understanding, the impact of migration on rural communities is mainly reflected in the impact on people in these communities. In the context of large-scale migration, the population that has remained in rural areas is often referred to as the “left-behind population. Therefore, I have added a sub-title to my speech, namely, “population migration and the left-behind”.

We all know that rural labor force migration started in China in the 1980’s, and that it has made a great contribution to national economic development. China’s rural labor migration has some special characteristics. One of them is “mobility without (permanent) transfer.” The second is that
“people are in urban areas but their roots are in the rural areas”. This has resulted in a constant flow back and forth flow between urban and rural areas. The statistical data in the chart shows that 120 million migrant workers went to urban areas in 2005. In 2007, the Institute of National Population Strategic Development Research set a target that, in the next 20 years, 300 million rural people will transfer to urban areas. Because of this population mobility, three large groups of people are being created in rural areas. One is the rural left-behind children, another is the rural left-behind women, and the third is the rural left-behind elderly.. They are popularly referred to as the “386199” people.

These people face a lot of difficulties in their lives. For example, because of their parents’ out-migration, left-behind children cannot get adequate care. On the contrary, they have to take part in labor, and share family pressures at an early age, and this is a threat to their growth and a hidden threat to their safety. When the husband of a family leaves, the woman who is left-behind has to independently shoulder the responsibility for agricultural production, raising the children and supporting the elderly. They are therefore weighed down with the double pressures of additional work and psychological burdens. For the elderly, the migration of their children has disrupted the support system in rural families, and brought a series of problems, such as inadequate care for the left-behind elderly, spiritual loneliness, and an increase in potential security risks and the burden of labor, etc.

I believe these problems will have a lasting influence on the social structure and social development of rural communities. We know that the past 30-years of reform and opening-up have actually also been 30 years of population mobility, and also 30 years of people being left-behind. In terms of numbers, one figure published by the All-China Women Federation shows that in 2008, the total number of left-behind children was 58 million and the number of left-behind women was 47 million. Prof. Bai of Renmin University has estimated the number of left-behind elderly at 45 million. In fact, there is no clear definition of the concept of the left-behind population in China. When should elderly people, women and children who are left-behind be counted as part of the left-behind population? What is the time limit for migration? There is no specific definition. Therefore, we put a number of definitions for these things in our survey. For example, “left-behind children” refers to children having one or both parents migrate for work for a period of over six months in the course of one year. The children who are left behind at home and cared for by others are defined as left-behind children. Left-behind women are defined as those whose husbands have migrated for work for a period of over six months, and left-behind elderly are defined as having one or more children migrate for work for a period of over six months. In addition to
these numbers, we often also hear a figure of 19.82 million for left-behind children. This figure was from the 2000 census, as was the figure of 17.93 million left-behind elderly.

As early as 2004-2005, we conducted a number of research programs in rural areas in the mid-west of China, including Ningxia, Shaanxi and Hebei, on 162 left-behind children, 140 non-left-behind children and other related groups. In 2007, we carried out case studies on care programs targeted at left-behind children in Jiangsu, Zhejiang, Hubei, Chongqing and Sichuan. From 2006-2008, we conducted research in provinces with the most concentrated out-migration, including Henan, Anhui, Jiangxi, Hunan and Sichuan. We conducted research on 400 left-behind children, 400 left-behind women and 400 left-behind elders, respectively. Meanwhile, a comparison was made with 200 non-left-behind people from each group. We also conducted a study of 100 urban workers and other related groups in Beijing. Recently, in the last two weeks there are quite a lot news reports in the newspapers about our research on left-behind populations, and we have published three books. The first is titled “A Different Childhood—China's Rural Left-behind Children”, the second “Dancing Alone—China's Rural Left-behind Women” and the third “Quiet Sunset—China’s Rural Left-behind Elderly”.

The provinces shown in this drawing are the areas of our past few years' research on rural left-behind populations. I think that although migration has made a great contribution to China's economic development, it has also had impacts on the rural left-behind population. Some of these impacts are negative and some are positive. In my opinion, the negative impacts can be regarded as the costs of migration.

(PPT) Next, I'd like to discuss the impact on left-behind children, left-behind women and left-behind elders. Due to the limited time, I will only touch on the main findings.

First, let's take a look at left-behind children. We have a number of major findings. The first is that the basic livelihood of most left-behind children is secure, but their inner emotional world is often neglected. Lack of family love makes it hard for them to feel satisfied emotionally. We found in our survey that the long-term separation, lack of daily communication and short time reunions with their parents made it hard for left-behind children to enjoy love and care from their migrant parents. The children and their parents become emotionally distant, resulting in alienation between family members.

For example, we discovered that left-behind children generally feel lonely and helpless, and are under greater psychological pressure. We found that 37% of
the left-behind children do not feel like to talking to anyone, and 30% of them often feel lonely. Lack of family love has brought about negative impacts on children’s personality and development.

The second finding was that left-behind girls often endure a heavy burden of work as well as psychological pressures that make them more likely to become a vulnerable group among the left-behind children. The heavy burden of work includes housework and caring for their elderly guardians. 47% of girls said that they need to do housework on a regular basis and 53% of them that they need to often or sometimes take care of their guardians.

In addition, we found that after the parents migrated, the inner emotional world of female children was more likely to be affected. Meanwhile, due to the gender bias in rural families and the impact of other factors, male left-behind children were more likely to receive various kinds of help and support from within the family and beyond. Support from society to female left-behind children is relatively minimal and they are often neglected by family members and other groups.

The third finding is that the parents of left-behind children have not been sufficiently attentive to their children’s development. They usually pay more attention to material compensation for the children rather than to giving affection and love. In families of left-behind children, parents’ migration has resulted in their absence and the disruption of their involvement in their children’s development. This is a particular problem in China, where, traditionally, family education plays an important role. We discovered that 73% of parents were working outside for over 10 months per year, In over 72.3% of cases, both parents were away, and 80% were working in another province. 34% of parents left home before the child was three years old and in 49% of cases, one parent, either the father or the mother, stayed away for over seven years.

Such a long-term and long distance separation between parents and children results in the absence of the parents during the course of children’s development. Migrant parents are concerned about the children’s study at school but do not understand much about their inner emotions and experiences. For example, we found that telephone calls are the major form of communication between left-behind children and their migrant parents. But we found that 71.5% of the calls are one-way communications from the migrant parents, which is obviously unilateral. We also found that 95.4% of phone calls between migrant parents and children involve enquiries about the children’s study but rarely is there any emotional exchange with the children. 61.5% of left-behind children said they do not want share their worries with their parents. Most of the parents working outside expressed
that they are not in a position to provide much help to their children's development and so the only thing they can do is to compensate them with money and material goods.

Our fourth finding was that the certain social trends in rural areas, including gambling, internet bars and keeping up with the neighbors, are affecting children’s development. There is an urgent need to build a healthy cultural environment in the new countryside. We also found that the rural community is an important component of the living environment of left-behind children. Certain bad habits and traditions in rural communities, such as gambling, seeking personal favors, etc. are having a negative effect on the way children spend their leisure time and on their moral development.

As nobody is supervising them, some left-behind children get involved in majiang games and gambling as after-school leisure activities. We found that 4.5% of left-behind children go on the internet after school, and 6.3% go and play majiang. In addition a few left-behind children exhibit negative behaviors, such as internet addiction, which have a significant impact on their academic study and physical and mental health. We also found that 45% of farmers believe that the most important thing that needs to be rectified is bad habits such as gambling. In addition, because of the shortage of healthy cultural products in rural communities, such as books and magazines, is hard to satisfy the children’s need for knowledge. In some areas, neglect for education has made children uninterested in learning and they leave school early. The deterioration of the cultural environment in rural communities has a direct impact on the development of left-behind children.

The fifth of our findings is that under the influence of social trends, it is easy for left behind children to become confused or misdirected in terms of their ethical and moral development and the formation of values and behavioral norms. For example, in the socialization of left-behind children, the role of family and school is fading out, while social culture and mass media are becoming leading factors in shaping children’s ethical and moral development, behavioral norms and values. We found that left-behind children are very closed off in their leisure activities. 83% of left-behind children would stay at home watching TV after school hours, and 45% spend most of their leisure time watching TV. But the mass media, of which TV is the leading representative, place very limited demands on their audience in terms of reading and writing skills. And this, combined with the lack of supervision from guardians, means that left-behind children are likely to be more influenced by it, and negatively affected.

(PPT) For example if we look at the formation of sexual ethics during adolescence. Due to the absence of the personal example and teaching of
parents and family members, 41.4% of left-behind children have to gain information about the process of adolescence through reading and TV programs. But 52.9% of left behind boys over 12 years old and 39.5% of girls do not have any access to information about adolescent reproductive health. Therefore, they are more likely to be influenced by improper content from the mass media.

In terms of developing values and ideals in life, left behind children are seriously affected by the currently prevailing social opportunism, and the faddish entertainment culture with its artificially created personalities. Over 90% of left-behind children said that their ideal life would have no connection with manual labor, and another 50% of left-behind children said they wished they could become some kind of superstar in the future. Of course we can’t say that this is really wrong, but this sort of influence was very clear, especially in Hunan.

That’s all I will say about the issue of left-behind children. Next, I’d like talk about our studies on left-behind women, in terms of five aspects.

First, income from migrant husbands is the major source of income for left-behind women. But most of the left-behind women still continue agricultural production and in doing so they face are a lack of labor and technical problems. The major source of income for left-behind women comes from their migrant husbands, accounting for 91.7%. After husbands migrate, left-behind women become the main force in agricultural production – this is the so-called feminization of agriculture that is reported in the media. 92.4% of left-behind women families continue agricultural production, shouldering all housework and agricultural production alone. (PPT) The major difficulties they face are a shortage of labor and technical problems. We discovered that the former division of labor in rural families where “men take care of external affairs while women handle the domestic sphere” has been replaced by a new pattern of “men working outside while women farm”.

The second finding: (PPT) The heavy burden of manual labor and psychological pressure on left-behind women has increased the incidence of illness and deteriorating health. Inadequate medical care and conditions in rural areas cannot meet these women’s needs. They shoulder over 85% of the family burden in terms of agricultural production and housework. Since their husbands migrated, 55% of left-behind women have to spend more time on agricultural work, and 50% of them have to spend more time on housework. In terms of their physical condition, 31.3% of left-behind women are in relatively poor shape. They have illnesses and gynecological diseases as the result of prolonged manual work and are often troubled by poor nutrition. It is also quite common to see gynecological diseases among left-behind women,
which are mainly linked with poor sanitation conditions in rural areas and the sanitation habits of rural women, as well to the broader problem of medical care for rural women. Currently, periodical physical checkups are performed under the family planning system, but due to limited, run-down and out of date, other kinds of checkups may not be performed.

The third finding: (PPT) Prolonged separation makes it difficult for marriage to provide emotional satisfaction, which has also led to feelings of profound loneliness and other negative emotions among left-behind women. For example, the husbands of 76.5% of left-behind women work in other provinces, mainly in construction, processing and manufacturing, commerce and services, 76.5% of their husbands work outside for 9-12 months a year, 44.3% of their husbands return home once a year, and 52.9% of them work outside for over 10 years.

In addition, telephone communication is the main source of communication for them, but 22.5% of left-behind women on average have less than three minutes for each call with their husbands. A few left-behind women have even lost contact with their husbands entirely. Telephone contact between the couples has to some extent helped weaken the sense of distance between separated couples, but this kind of contact is still far from being enough to satisfy the emotional needs of left-behind women and their husbands.

In addition, due to difficulties in transportation, costs and living conditions at the place of work, most left-behind women have never visited their husbands. Since their husbands went out for work, loneliness is the strongest emotion among such left-behind women. 63.2% of left-behind women often feel lonely and 42.1% said that they often weep. In fact, such loneliness does not only reveal a kind of bitterness at being left behind, but also the loneliness of bearing family responsibilities and pressures alone.

Due to the prolonged separation between left-behind women and their husbands their sexual needs also cannot be fulfilled, and this can be a threat to the marriage. Left-behind women are in a constant state of sexual repression, and this also leads to negative emotions. For example, 69.8% of left-behind women complain that they often feel restless, 50.6% of left-behind women often feel worried, 39% of left-behind women often feel depressed, and 8.3% of left-behind women have experienced crises and even breakdown in marriage. Besides, 6.3% of left-behind women and their husbands admit that their marital relationship has deteriorated since the husbands migrated. In our survey of migrant workers we were surprised to find that 17.0% of male workers have engaged in extramarital sexual behavior at their place of work in order to solve the problem of sexual repression, while 42.5% of male workers had an ambivalent attitude toward this.
The fourth finding: (PPT) The situation of left-behind women who are nursing babies reflects the neglect of their legitimate rights. This is a rather special group, accounting for 12.8% of the total. 84.3% of them used to work outside. They are relatively young and 64.7% of them plan to leave to their children to grandparents so that they may go out to work again. This phenomenon also reflects the problem of gender inequality in labor force participation, since the young women who migrate have to break off work because of pregnancy and return home. They will not get childbirth and healthcare services or job assurance in urban areas, and this creates the special phenomenon of left-behind women who are nursing.

The fifth finding: (PPT) In some areas, left-behind women display a relatively strong religious faith, which has a strong element of superstition. 7.3% of the left-behind women demonstrate clear religious faith. In Henan province, 22.5% of left-behind women have religious beliefs. This due to their lacking a sense of safety and stability, the fact that there is no guarantee of family income, and illness. In this helpless situation, left-behind women seek comfort and spiritual help from divinities, Buddha or God. Nevertheless, the religious faith of left-behind women has obvious superstitious elements, especially reflecting their desire to cure illness.

That is all I will present about our findings on left-behind women. Finally, I’d like give you a briefing on the left-behind elderly.

Our first finding is that (PPT) the living conditions of most left-behind elderly have not been clearly improved just because their children have migrated. Rather they are only able to maintain a basic standard of living, with adequate food and shelter. Poverty is very common. We discovered that 80.9% of left-behind elders still have to work and rely on income from agricultural production or sideline activities to support themselves. But usually the income is barely enough to meet their basic needs.

We conducted a survey of per capita economic support given by migrant children to the left-behind elderly based on 2006 samples. We discovered that in the whole of 2006, migrant children only gave elders an average of 408.3 Yuan each. Among those left-behind elderly who received support from their children, 76% of them received less than 500 Yuan, and another 18% of them received no economic support from their children at all. Currently, the social security system coverage for left-behind elders is still limited. Only 7.5% of left-behind elderly received material or cash support from the state or village committee, and only 0.8% have a pension.

The left-behind elders’ families also face economic pressures more generally
as the result of expenses for medical care, inputs for agricultural production and personal favors etc. At the same time, the left-behind elderly have to take over the responsibilities of their migrant children for agricultural production, looking after grandchildren and exchanging personal favors. This increases their economic burden. These various expenses make it difficult for some low-income left-behind elderly to make ends meet, and their living standards are generally very low. Most of the left-behind elderly can only maintain a basic existence, with adequate food and clothing. Quite a number of the left-behind elderly who have little or no capacity to work live in an impoverished state because they do not have sufficient economic support from their children. In our survey on their present living conditions, we discovered that 69.8% of the left-behind elderly believe their life is just so-so, while 9.8% of the left-behind elders think their life is not good at all.

The second finding: (PPT) Children migrating for work has led to a severe lack of personal care, particularly when left-behind elderly are sick. This is a threat to their personal safety and to their property. Because for these elderly people, the three most important aspects of life are economic support, personal care and spiritual life. So personal care is one of the most important things for them. When their children migrate this disrupts the traditional family care giving structure, and rapidly increases the number of “empty-nest” families. Now, the percentage of left-behind elderly in an “empty-nest” with all children gone has reached 48.5%, while in 88.9% of families the women who used to be mainly responsible for caring duties have migrated. The proportion of elders in the local community without any female children left behind has reached as high as 55.2%. After children migrate, the left-behind elderly face greater difficulties in agricultural production because of old age and lack of assistance. When they are sick or get injured, they cannot receive timely medical treatment and good care. On top of that, they are likely to encounter some unsafe situations. We discovered that 33.6% of left-behind elders have had various kinds of accidents in the recent past two years, 9% of left-behind elders are afraid of having unpredictable accidents while their children are away from home. There is a severe crisis of care for left-behind elders who cannot look after themselves, particularly those who have lost their spouses. Some left-behind elderly even died as a result of the lack of care and timely medical treatment.

The third finding: We discovered that the support migrant children give to left-behind elderly is more focused on material than emotional help. As a result, it is hard for left behind elderly to satisfy their emotional needs within or outside the family. We found in our survey that the emotional comfort left-behind elderly derive from migrant children coming back home to visit or making telephone calls is very limited. The absence of inter-generational emotional exchange has limited the ability of parents and children to
understand each other's inner worlds. We found that it is almost impossible to satisfy these emotional needs through telephone calls. And, besides, 10% of left-behind elders have no communication at all with their outgoing children, so inter-generational emotional contact is cut off completely. Children's migration has also brought a number of negative psychological impacts for left-behind elderly. For example, 43.9% of left-behind elders said that they have experienced a certain degree of psychological pressure after their children migrated, 17.5% claimed that they feel enormous psychological pressure. 36.3% of left-behind elderly say that they often feel lonely, and 35.8% of them often feel anxiety, restlessness and depression. In addition, because of the shortage of cultural facilities in rural areas, the dull spiritual life of left-behind elderly has intensified their loneliness and made it difficult for them to release this psychological pressure, intensifying their unhappiness.

The fourth finding: (PPT) The large out-migration of rural labor force has led to the aging of the agricultural workforce and increased the burden of work on left-behind elderly. This may possibly become a major problem for agricultural development. The out-migration of young and middle-aged rural laborers has left an ageing population as the mainstay of agricultural production. We found that 80.6% of left-behind elderly still have to work in the fields, including many people of advanced aged. In addition, many aged people have to cultivate their migrant children’s farmland. Some of them have to take care of as much as 10 mu of farmland. But without assistance from their children, the burden of work becomes extremely heavy for many left-behind elders. 47.3% of left-behind elderly feel their labor burden is very heavy, and as much as 18.3% of them said they can hardly bear the burden. This problem may also lead to insufficient inputs into agricultural development and affect the promotion and distribution of agricultural technology, industrial structural adjustment and the rational transfer of land, thus making it impossible to maintain the momentum of agricultural development.

The last finding: (PPT) In rural areas, we found a serious problem of gambling and the exchange of personal favors, the decline of traditional ethics and morality, and frequent violations of the interests and rights of left-behind elderly. As a result of deep-rooted traditional ideas and the absence of relevant policies, the issue of left-behind elderly has become a family matter, and it is very difficult for left-behind elders to get social support from outside the family. The first problem I mentioned already, about rural problems such as gambling. Now let’s look at the second one. We found that the majority of left-behind elders have to take on their migrant children’s obligations in terms of exchanging personal favors. In 11.1% of the left-behind elders’ families, the biggest expenditure is these personal favors, particularly in
areas like Hunan and Jiangxi. In addition, traditional ethical norms such as honoring and showing respect to the aged, filial piety, etc. have been weakened. Now incidents of disrespect and lack of support for the old, paying more attention to the young than to the aged, etc. are becoming increasingly common in rural areas. As a result, the interests and rights of many left-behind elderly are violated.

Currently, China has not introduced policy measures for the left-behind elderly. The absence of systemic support and the constraints imposed by some cultural concepts, such as “bringing up children for the purpose of being looked after in old age”, the importance of “face”, “exchanging favors” and “not making family scandals public”, etc. have constrained the desire and capacity of local government and communities to support left-behind elders. For example, the traditional concept of “not making family scandals public” means that people don’t want others know anything about their family affairs, or want any help from others, in case their children are considered unfilial.

The absence of family support and the lack of community and government policies have limited social support for left-behind elders from outside the family. A trend for left behind elders to become marginalized in both families and communities is emerging.

These are five ways in which migration affects left-behind elders. I’d like to add a little explanation here. (PPT) As I mentioned earlier, migration has both negative and positive impacts on rural communities. We need to pay more attention to these negative impacts in our policy making. We believe that the phenomenon of the left-behind population will be a long-term and complicated social problem that requires social action from people in all walks of life.

My first point is that the problem is long term and complex. The emergence of the left-behind population problem is affected by social development, the family environment and the policy system. At the same time, it is intertwined with and influenced by other rural social issues. The rural left-behind population group will continue to exist over a certain period of social development.

The problem of the left-behind population can only be thoroughly solved through one of two channels, local employment for the rural labor force, or people who are currently left-behind moving along with the migrants. However, under the current social conditions, it is very difficult for either of these to come about. So we need to change our approach to the left-behind population from one of “solving” the problem to one of “responding” to the
problem. Various types of action can be undertaken in various social sectors from central government to the local government. These activities are related to multiple entities, including families, schools, communities, government, public media and enterprises, etc.

Based on this, we have put forward a number of suggestions with regard to policy making. Of course, our suggestions are made from the researcher's point of view, and may not necessarily be suitable.

Policy considerations: (PPT) From the government side: the government should set up programs for disseminating agricultural technology and training for rural women and elders, encouraging the development of agricultural industries suitable for women, such as raising livestock. It should improve the rural social security system, including the rural pension system and minimum living guarantee system, etc. so as to bring impoverished left-behind elders into the social safety net. The government should also expand the coverage of social security to left-behind elders, and continue to reform and improve the new rural cooperative medical system. Efforts should be made to support the development of social service agencies, such as rural rest homes and welfare homes, and to encourage the elderly who need these services to use them. Also, capital investment is required in infrastructure for the construction of rural roads, water supply and irrigation systems, etc. in order to alleviate the difficulties that left-behind people experience in daily life.

Schools: (PPT) Schools and relevant departments should strengthen their role in leading the education and of left-behind children, improve the running of schools and the quality of teaching and the morals of teachers so that they can provide care and psychological guidance for left-behind children. School and relevant departments should organize school-camp activities to enrich the life of students, and strengthen the student-oriented and caring nature of education. At the same time, schools should do their best to conduct education and training targeted at the parents and guardians of left-behind children, in order to promote correct approaches to family education and strengthen the contact and communication between schools and parents.

Rural communities: (PPT) We suggest that communities try to build a healthy social environment to deepen the cultural construction of the socialist new countryside, enrich community cultural activities and emphasize building rural civilization. Also, they need to support the healthy development of left-behind children with support from the Committee for the Elderly and the Women’s Committee, and address the loneliness and negative emotions of left-behind elders and women by organizing cultural activities. Village committees should actively draw on their role as organizers
to set up community-based mutual-aid groups and teams of people who can provide help to each other in order to boost agricultural production, provide mutual assistance, and alleviate the agricultural burden of left-behind people. Community-based home-care services for the aged can be introduced. Volunteers and other private and corporate groups can be encouraged to provide care and support for strengthening community security, so that left behind people will have a safe community environment. Practical measures should be taken to clean up social morals in rural areas and strengthen traditional virtues, family values and education about laws and regulations. The legitimate interests and rights of left-behind elders should be protected to create a pleasant and harmonious environment for them to pass their later years. Rational guidance should be given to farmers regarding religious faith in order to guard against religious faith becoming reliance on myths and superstitions.

Finally, enterprises and urban employers. The transportation and telecommunication sectors should show a sense of social responsibility and make communication and visiting more convenient for migrants and the left-behind. There should be a social system for safeguarding the safety and health of migrant workers in order to protect the legitimate interests and rights of female migrant workers so that they may receive normal reproductive health care services at their place of work.

The above are some of the policy considerations that arise from our study, and an introduction to the three groups. Your comments and suggestions are welcome. Thank you.

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 be 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 longer 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 you if 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
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. Fox 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.