The Human Tide Sweeps into Cities

In one of history's biggest population movements, hundreds of millions of people are leaving the countryside for jobs in towns and cities. This rural exodus in search of a better life will change the face of China and keep labour costs low. It also poses a host of challenges for the government.

By David Lague / BEIJING
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FU YANGSHENG was on the road almost as soon as he could leave. In 1982 as economic reforms began loosening the shackles on the movement of ordinary Chinese, the 18-year-old farmer's son left his village of Taihezhai in Shaanxi province and has since roamed the major cities and towns of northern and central China in search of work. "I just followed the trend," says the strongly built Fu, who now works as a cleaner and security guard for offices in Beijing's Ritan Park. "I saw all our neighbours leaving the village because people in the countryside want to learn some skills and see the outside world."

In the 20 years since Fu set out, more than 100 million people have followed him to big cities and manufacturing zones. They are the pioneers of one of the most dramatic population shifts in history as an estimated 200 million more migrants from the agricultural hinterland will move to towns and cities between 2000 and 2010, according to the United Nations. The Asian Development Bank forecasts more than 300 million new urban residents by 2010.

The size of the exodus in China is unprecedented and authorities are struggling to manage this mass movement that will reshape the country. But for sociologist Ruan Danching it is not just dry economics and urban planning. She is excited about the liberation of human potential. For centuries, being born in a Chinese village meant that it was virtually certain you would die there. "It was so unfair," she says. "Now the freedom to move means you can have dreams."

Ruan, a professor at the Baptist University in Hong Kong, is well aware that few of these dreams are likely to be realized. But China's rise as the world's manufacturing powerhouse and a major market means...
proportionally more dreams stand a chance of becoming reality than before. Above all, the flow of new workers to cities and industrial centres means that labour costs in China are unlikely to rise sharply in the near future, economists say. That's good news for booming export industries and bad news for their foreign rivals. It previously was assumed by some experts that China's manufacturing competitiveness would inevitably be eroded by higher wages—as in Japan and other East Asian economies in the last 30 years. But for an urbanizing China, this evolution could still be decades away.

In addition, the benefits of freedom of movement are already being felt by people like Fu who are part of a floating population of up to 100 million workers. Fu's $120-a-month salary in Beijing is easily twice what he could earn back in his village. And his overheads are low. Park authorities let him live rent-free in a storeroom so he sends more money home to his wife and 12-year-old daughter. "About 150 million people in China have been lifted out of poverty over the last 20 years," University of Washington geographer and migration expert Chan Kam-wing told a Hong Kong seminar on December 10. "Migration has been a big part of that."

For these reasons, the government embraces speedy urbanization under its control as an engine for economic expansion. The World Bank says 80% of China's economic growth comes from cities. In his address to the 16th party congress in November, President Jiang Zemin put his stamp on this population shift. "All the institutional and policy barriers to urbanization must be removed and the rational and orderly flow of rural labour guided," he said. Chinese planners say 80% of Americans and 65% of Japanese live in cities and towns compared with 30% of Chinese. Officials believe the lagging Chinese figure is holding back growth that could come from efficient cities with developed service industries that stimulate consumption.

This mass movement of men, women and children will transform China into a highly urbanized nation—in contrast to the centuries when most Chinese were farmers and the cycle of crops and seasons dominated life. The Asian Development Bank estimates that the number of people in urban areas will expand from 360 million to 700 million by 2010. With the total population then expected to approach 1.4 billion, one in two Chinese will live in a town or city. "Some of these people will be born in the cities but in any event, it still a huge rural-to-urban migration," says Warren Evans, director of the ADB's environment and social safeguard division in Manila.

Some Chinese officials and researchers foresee such growth taking a little longer. Writing in the official People's Daily in December, State Development Planning Commission Minister Zeng Peiyan predicted that the urbanization rate would exceed 50% by 2020, from 30% in 1998. The China Urban Development Report 2001-2002, an official study issued in December, forecast that the proportion of people living in cities would rise to 75% by 2050.
Of course, this migration won't mean prosperity for all. If it is mismanaged or economic growth is interrupted for long, China could soon find many of its major cities surrounded by the kind of huge slums typical of India and Latin America. The problems of providing clean water, sewage, schools and hospitals for a rapidly expanding urban population are immense, especially with these services are already under extreme pressure. The ADB's Evans, however, sees signs that China is moving towards a system of recovering costs from the users of urban services--a crucial step toward building sustainable cities. "The good news in our view is that, to a large extent, China has put in place the policies that are required to finance a number of key infrastructure requirements," he says.

Rapid urbanization could have far-reaching consequences for the Communist Party leadership. There are already signs that labour is becoming better organized with big worker protests in 2002 in several northeastern cities being confronted by troops and police. Some analysts predict that a big urban workforce outside the traditional network of state-owned enterprises will be far harder to control than the existing labour pool.

To some experts, official calls for a faster pace of urbanization are merely making a virtue out of necessity because what is driving the march to China's cities is massive unemployment. Hiroshi Imai, an economist with an independent Tokyo-based think-tank, the Japan Research Institute, estimated in a September report that based on data for 2000, more than 270 million Chinese were jobless, 171 million of them in rural areas. This surplus of rural labour is a result of the dismantling of collective farms in the late 1970s and is expected to swell with improved technology and intensive farming. The end of state-owned enterprises also boosts migration as unemployed workers and their families turn elsewhere.

In fact, rural and urban incomes in China are so widely different that even some of those with good jobs in the countryside are lured to the cities. Two years ago, schoolteacher Zhang Hua, 39, left her husband and two daughters behind in the Henan province village of Ban Qiao to work as a live-in domestic servant for a middle-class Beijing family for $85 a month, $25 a month more than her teacher's salary. She takes the 12-hour train trip south to her home twice a year to see her family.

The sagging rural economy drove Zhang to the city. "My husband was a small businessman but now business is not so good in small villages," she says. Official planners had hoped that small township and village enterprises would absorb some of the surplus rural labour, but for years it has become clear that many, if not most, of these ventures are in fact failing or stagnating.

The green light for rapid urbanization must not be confused with granting the right for all Chinese to live and work where they want. Clearly, extensive controls and police powers will be maintained to deter too many poor migrants from moving to showcase
cities like Beijing, Shanghai and Guangzhou. Instead, migrants will be directed to smaller cities and satellite towns. At the heart of this is the household registration, or hukou, system, which prevents rural migrants from claiming benefits that most city dwellers enjoy. Without a Beijing hukou for example, migrants are ineligible for official housing, medical care or schooling for their children. They must return to their home villages for much lower-standard benefits. Officials insist the hukou and related restrictions are vital to prevent a chaotic stampede of migrants into urban areas.

But such controls are strongly attacked within China and abroad. Combined with long-standing economic policies favouring cities over the countryside, they have led to what some analysts describe as a system of "apartheid" with China divided between those who were lucky enough to be born in major cities and those from rural areas. "The continuing control of migration reflects the enormous gulf between countryside and city, a major factor in China achieving the dubious distinction of now being among the most unequal societies in the world," said a report in November by the New York-based Human Rights in China watchdog group.

**FREE TO DO THE WORST JOBS**

In a bitter irony, the rural-based revolutionaries who seized power in 1949 promising to end the privileges of an urban elite have entrenched discrimination against farmers and rural dwellers. Official figures show that average disposable incomes for China's urbanites are three times higher than for rural people. Despite the economic boom, there is still plenty of grinding poverty in the interior and west. The World Bank estimates that more than 200 million rural Chinese struggle to live on less than $1 dollar a day.

In the early decades under communism, the hukou system and tight control and surveillance meant most big cities were sealed. With reforms, some movement was sanctioned. Beijing, for instance, now has an official resident population of 11 million and up to three million migrants. Mostly, these newcomers take the dirty work for low wages and are a vital cog in local economies. The cleaners, waiters, construction workers, rubbish collectors and labourers are overwhelmingly waidiren, or "outside people." Good jobs are reserved for locals. Washington University's Chan calculated that more than 100 occupations in Beijing are off limits for migrants. Taxi-drivers say that it is impossible to find work at the wheel of one of the city's 65,000 taxis without a Beijing hukou.

In time, these restrictions may be overwhelmed by the sheer weight of numbers. Ma Lei's parents weren't thinking about official policy when they sent him to Beijing. They worried that the unemployed 21-year-old with a humdrum school record was wasting his life in the petrochemical town of Cangzhou, 180 kilometres south of the capital. Worse, they feared that he might even lose his life as he raced around on motorcycles with other youths. "My parents thought it would be better if I came to
Beijing," he says. "There is more opportunity here."

Six months ago, the slim, quietly spoken young man arrived on the outskirts of the capital. He now waits on tables at a Sichuan restaurant in the Palace Garden estate, one of the sprawling middle-class residential developments rising out of farmland near the site of the main complex for the 2008 Olympic Games. "I love it here. I get a chance to meet so many people," he says. Though he is denied the benefits of a regular resident of the capital, his job, his meals in the restaurant and a warm bed in a nearby dormitory provided by his employer are enough, for now.

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