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**Migration of Rural China: The Consequences of the New Economic System**

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# Migration of Rural China: The Consequences of the New Economic System

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## ABSTRACT

During 30 years, China has stand out over other countries due to the accelerated growth process that it has been presenting, also for having an emergent economy with the highest foreign investment indicators which allow the country to count with a dynamic international trade.

But all this success is not for free; to accomplish a rapid growth, this country had to take some special measures like the creation of technological and economic development zones, industrial parks, between others that permit China to be an attractive country for foreigners. But even though the country is achieving its main economical objective; the situation China is living today in the interior of the country, makes all the economical efforts worthless. The majority of income resulting from direct foreign investment and trade is only staying in the hands of few people and the gaps between urban and rural zones are getting bigger by the day, situation that impulses migration at a scandalous growing rates. There is also a lack of work regulations which result in multinationals augmenting their greed of earning more money by reducing costs at the expense of scarifying their employees' right of counting with a safe and healthy work environment.

## KEY WORDS

Migration, Economic System, Rural Areas, Cities, Economic Development, Poor Living Conditions.

## 1. DESCRIPTION

During the last 30 years China has distinguished itself from other countries because of it registers one of the most accelerated growth process in the planet, and for having the emergent economy with the most foreign investments and for counting with a very dynamic international trade.

“In 1978, before the reform and the international economic aperture, its volume of international trade was ranked as the 32nd in the world; and by the year 2004, China became the third commercial partner of the planet”. (Echavarría, 2009: 87).

To achieve this rapid growth, the country had to take special measures like the establishment of economical and technological development zones, industrial and technology development zones, industrial parks, between others, in order to attract foreign capital (Echavarría, 2009).

Also, China established five special economic zones to foment the foreign investment and the joint venture with companies abroad, so the Chinese will benefit from the transfer of technology (Echavarría, 2009).

It is true that now that the Chinese people is living under the policy of one country two systems; there are opportunities to improve the quality of life, to become rich by making a reality their entrepreneurial dreams and to be able to exploit their own capacities. Despite all of these props, society it is becoming greedy and is leaving their Confusionist life style behind and focusing only on making money.

Companies located in China, on their rush to obtain the lower possible cost, rapid growth and out-win the competition, are purposely denying their workers a safe and comfortable working environment, paying poorly wages and high under the law in order to avoid paying health care and indemnities.

The facts mentioned before is how the world perceives China. But, what are the social implications from the implementation of the new economic system on the growing rural migrants?

## 2. LITERATURE REVIEW

For the paper Migration of Rural China: The consequences of the new economic system, a number of articles served us as a guide to focus our study and provided with great information, which is shaping our thinking, and criteria about China. It also helped us understand what are the implications that bring the different living conditions between the cities and the rural areas.

According to (Webber, 2008: 6) in his text “The Places of Primitive Accumulation in Rural China”; the gap that exists between the urban and the rural incomes in

China and the lack of internal migration controls have incentivized around 150 million of rural citizens to move to the big cities, in most of the cases with the excuse to find a job.

Also, (Webber, 2008: 6) affirms that since the Maoist era, the rural zones were less paid than the urban zones, but nowadays, since the reform era that started in 1978 by Deng Xiaoping, this differences are becoming bigger every day due to the low labor productivity in agriculture that is causing low rural incomes, and also because the investments in agricultural technology and science have been so poor in comparison to the investments that have been made in the secondary industry.

With the reform era we were earlier talking about, a lot of things have changed, including the rural financial system, which started in 1978, to promote the reorganization of the rural land system, which gradually shifted the rural community from “collective existence” into “individual existence” and shaped the Household Responsibility System (HRS), so that individual farmer households became the basic producing units as it is said in the text “The structure and reform of rural finance in China”. (Pei & Xiangping, 2009)

Not too far of the facts that we just saw, (Snyder & Chem, 2009: 1) presented on their text “The impact of remittance income on rural households in China” some data that support Webber’s words. According to these two authors, in 2005 the wages in urban areas were 3.5 times bigger than the rural wages, this, without taking into account that urban workers may receive some benefits from their company as for example free housing, meals, and so on. So there is a high probability that a rural citizen feel attracted to all of these remunerations that they receive working at the urban side.

Furthermore, the author (Ford, 2008) in his text “Earnings wither in the Chinese countryside” in an interview to Mrs. Kang, an old Chinese lady, stands out how much people from the rural side is willing to go to the cities to work and live in better conditions.

In the same text (Ford, 2008:1). Mrs. Kang and her husband earn per year USD\$ 260 from selling rice. That buys the couple meat and fish “and gifts for when we go visiting,” Kang says, “but it is not really enough.” Today, the Chinese government is trying to increase the efficiency in the countryside because there are, still living 750 million of citizens, but the problem is that “No young people want to farm any more,” says Mrs Kang. “There are hardly any of them living here now. The only way to make money today is to leave”.

Nevertheless, the urban area has its dark side and although it represents a whole lot of opportunities for people who in exchange have nothing; it’s a

hard place where you have to practically sell your life in order to get more possibilities in life. In the text “Should the house pass the China trade bill No: pact won’t end rights abuse” by Dan Radford (2001:1). the author, make us notice that the congress of China must face the internal problems that their factories have with the unfair trade practices, with the international human rights and also with the workers’ rights, due to the fact that in this country these statements are been constantly violated and the government itself is not doing anything to prevent it. The quality of life of the Chinese people is at stake thanks to the trade with other countries, but this situation can change if right policies are implemented, and the international laws in these particular subjects abided.

According to Dan Radford (2000:3) a national survey in the United States conducted by Peter D. Hart Research Associates, had as a result that the 81% of the voters perceived China as a country who has a lack on regarding human rights. Also, another survey to the American citizens dropped that the 65% of the voters were against the idea of guarantee China an enduring trade accesses to the American market.

As it is said by Fox, Donohue & Wu (2007) in the text “Developing Workplace Monitoring Skills in Factory Workers: A Chinese-Based Analysis with Worldwide Applications”, One of the reasons why China is being considered a country with a lack on human rights is due to the cheap labor hand they offer, because having a cheap labor hand, includes: underpaid and overworked employees in unsafe work environments. The enforcement of workers’ rights can work only if employees are aware of possible remedial processes such as voicing concerns to the local labor council, their union or, in desperation, the press. Naturally, in all these cases, job loss is essentially a foregone conclusion, as it is said in the text.

It is also said by Fox, Donohue & Wu (2007) that as it is a growing up problem there has been implemented things like workplace monitoring: vigilance programs that look for “various production-related problems crucial to the firm while also looking for violations of labor regulations”. This monitoring system is quite expensive, but many companies are start thinking that it is cheaper having these programs and avoiding this kind of problems that saving the money and gaining a big problem because of the violation of human rights.

All the facts we mentioned are the ones we want to explore with this research. We want to show that there is another facet of China that many people do not know about and with substantial information we want to show the reader some information unknown to them before.

### 3. METHODOLOGY

For this project the team conducted research based on secondary data sources, primarily academic papers to get objective criteria when constructing our paper. Also the team worked and analyzed some videos of China, which transmit visually the different situations found in this country. From the information gathered related to the idea we wanted to work with, the group constructed a solid point of view which was developed in a period of time of approximately six months. This paper took answering of some questions and quests for information, all that was necessary to find out the truth.

### 4. CHINA'S CURRENT SOCIO-ECONOMIC SITUATION

Following is the explanation for the figures of Chart 1.

According to the CIA Fact Book published on its web page, at the age of 15 years old and over, the 90.9% of the Chinese population can write and read ;and the primary to tertiary education has a durability of 11 years.

The GDP (PPP) by 2008 was about USD\$ 7.7 trillion, where the real growth rate of the same variable was 9.8% in comparison to the 2007, and the GDP per capita was about USD\$ 6,000, which is pretty low, taking into account that Colombia's GDP per capita according to the same source is about USD\$8,900 (2008 est.)

By 2008, only the 4.2% of the population that is considered in age to work was unemployed. It is important to mention that the statistics of unemployment rate in China do not include migrants and agricultural workers, only the registered workers in the cities. This misleads perceptions because if the total of the population is taken into account this figures will be outrageously high and the government will have to make bigger commitments to improve the unemployed situation. According to the CIA World Fact Book the unemployment rate in the cities including migrants may boost to 9% (2007 est.).

Last but not least, in the same year, according to the CIA World Fact Book, China had a surplus in its trade balance of USD\$309 trillion.

The labor force in China by 2008 was 807.7 million where the 43% work in the agriculture sector, the other 25% in the industry sector, and the last 32% in the services sector (2006 est.).

#### 4.1 China Indicators

Chart 1.

Variable	Figures	Source
Literacy	15 years old	CIA Fact Book (2000 census)
School life expectancy (primary to tertiary education)	11 years	CIA Fact Book 2006
GDP (purchasing power parity)	\$7.8 trillion	CIA Fact Book (2008 est.)
GDP - real growth rate	9.8%	CIA Fact Book (2008 est.)
GDP - per capita	USD\$ 6.000	CIA Fact Book (2008 est.)
Labor forcé	807.7 million	CIA Fact Book (2008 est.)
Unemployment rate	4.2%	CIA Fact Book (2008 est.)
Exports	\$1,465 trillion f.o.b.	CIA Fact Book (2008 est.)
Imports	\$1,156 trillion f.o.b.	CIA Fact Book (2008 est.)

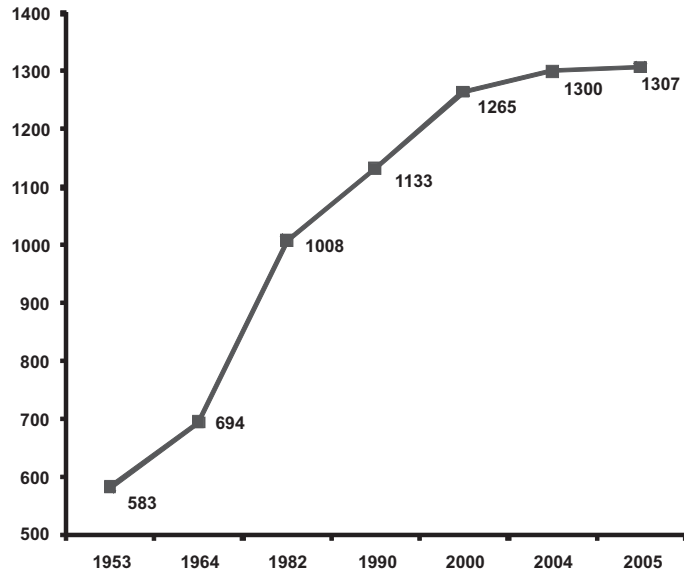
Since the year 1953 up until 2005, China's population has grown 124%. That is an impressive figure of growth for a country in only half a century. As it is discussed further on this paper the large population growth is one of the factors that have stimulated migration within China's borders.

To control this accelerated population growth in the year of 1979 the Chinese government created the one son policy, to alleviate social, economic, and environmental problems. According to the authorities this policy has prevented more than 250 million births from its implementation to 2000. This has brought both positive and negative consequences, on one hand the outrageous population growth has been tamed but on the other hand according to (Kurlantzick, p.1, 2008) the annual population growth is less than 1%, well below the replacement fertility rate, which means that China's rapidly aging population will suffer a severe labor shortage, and China will have millions of elderly people with few young working adults to pay taxes and look after the elderly. Coerced abortions and sterilizations have also been connected to the one child policy.

Chart 2.

**Evolution of China’s population**

(Million)



Source: National bureau of statistics of the People’s Republic of China 2005

The East of China is the region in which most urban centres of this country are located, including the most important cities such as Shanghai, Beijing, Nanjing, Hangzhou, to name a few. As seen in Chart 3, the East region is the most densely populated with of 536, 22 million habitants and a territory of only 1,300 Km2. It is very probable that this trend will continue to accentuate in time, if the behavior of urban population continues its growth, like it has been doing from 1949 with only a 10% of the total , to a 43% in 2005 (Chart 4).

Chart 3

**Geographic distribution of the population**

Region	Km2 (m)	Percentage of the total	Population (m)	Percentage of the total	Demographic density
West	5469	56.97	286.66	22.66	52.4
Center	2831	29.49	439.4	34.7	155.2
East	1300	13.54	536.22	42.4	412.5



Chart 4

**Urbanization in China**

Year	Urban Population	Rural Population
1949	10.60%	89.40%
1983	23.50%	76.50%
1990	26.15%	73.85%
2000	36.09%	63.91%
2001	37.40%	62.60%
2005	43.00%	57.00%

According to the text *The Economic Performance 2007*, (chart 5), published in the Economist Intelligence Unit China in general and the region on the eastern seaboard in particular, has experienced extremely rapid economic growth.

Officials have been trying to avoid a repeat of the damaging boom-bust cycles that has been so common in the reform period up to 2000. However, the most recent recovery, which began with a government-led effort to support the growth during the Asia financial crisis in 1997, took growth to unsustainably elevated rates. Stoked by the amazing growth in investment spending (much of it on real estate and infrastructure), real GDP could double digits in 2003. As they were worried about overinvestment, government decided to tightened policy in 2004, bringing a provisional break in investment growth. Beside all of this, a boom in net exports has since driven GDP growth even higher, so, that it too reached 11.9% in 2007. The fastest rate since 1994. Another round of policy tightening was launched in 2007, and this, combined with weakening demand for China's exports, has led to a fall in economic growth. In the third quarter of 2008 real GDP growth slowed to 9% year on year, the lowest rate since the second quarter of 2003.

Also, according to the same text ("*The Economic Performance*") the government of China has given economic incentives in the country side, and allowing farmer a degree of freedom planting crops, which increased peasants incomes in a 51.9% between 2000 and 2007, "senior government officials continue to worry about the health of the rural economy. One problem is that the recent pick-up in rural wages has not prevented the gap between rural and urban incomes, which was already large, from widening further "the 51.9% rise in real net rural income per head in 2000-07 failed to match the 96% rise in real urban income per head in the same period". Another issue is the fact that rural income increase has not shown as a result, increased earnings from traditional agricultural activities. Rather, in-

come growth has been strongest in the rural areas which are able to diversify away from conventional farming activities. Also, growth in income from farming is tending to be highly volatile, showing annual actions in the price of grains and other crops, which depends on weather and production levels.

Chart 5

**Main economic indicators**

	2003	2004	2005	2006	2007
Real GDP growth (%)	10.0	10.1	10.4	11.6	11.9
Consumer price inflation (av; %)	1.1	3.8	1.8	1.8	4.8
Current account balance (US\$ m)	45.875	68.659	160.818	253.268	371,833
Exchange rate (av; Rmb:US\$)	8.3	8.3	8.2	8.0	7.6
Population (m)	1,292.3	1,299.9	1,307.6	1,314.5	1,321.3
External debt (year-end; US\$ m)	208,452	247,701	281,612	322,845	350,067

Source: The Economist: Economist Intelligence Unit Web page. Country Data 2007.

Going further in the article The Economic Performance 2007, there is a chart about prices and earning, (Chart 6), where we can notice how the percentage of change per year has been increasing since 2003.

The article explains that the principal reason for this volatility is the variation of food prices, which its weight accounts for over 30 percent of the consumer price index basket. The fact that food prices change so much is attributed to the weather, if there are favorable conditions the harvest will be abundant and therefore the prices will not be so high, but it does not always work like this, and there is no way to predict and manipulate what is going to happen with climatic conditions.

But food prices are not only affected by weather but for a lot of other factors, like in the year 2007, when consumer price inflation reached the highest rate for a the decade with 4.8%, because of the elevated of pork prices, which is a basic food in China.

On the other side in the past decade non-food price inflation has been extremely low, and often negative, reflecting the strong competitiveness in the production area, thanks to the high levels of intensity which have caused the augment of the productive capacity that have exceeded the demand growth. The producer prices have achieved double-digit rates in every year since 1997, and have been matched by substantial productivity gains

Chart 6

**Prices and earnings**

(% change, year on year)

	2003	2004	2005	2006	2007
Consumer prices (av)	1.10	3.80	1.80	1.80	4.80
Average nominal wages	13.0	14.10	14.60	14.40	18.70
Average real wages	12.00	10.00	13.00	12.40	13.00
Unit labor costs	3.70	4.70	5.70	6.10	12.10

Source: The Economist: Intelligence Unit Web page.

Country Data 2007.

## 5. IMPLEMENTATION OF THE NEW ECONOMIC SYSTEM

The process of reform and aperture to the overseas market started in 1978, before this China was isolated to the world economy and protected from the exterior events.

Deng Xiaoping was the architect of the reforms that allowed the Chinese economy to be open to the international flow of goods and services, to the overseas ideas and foreign capital. These reforms include the creation of five economic special zones, fourteen coastal cities to incentivize investment and trade, the zone of Pudong, zones free of taxes, zones of economic and technological development, zones of industrial and high end technology and industrial parks; the opening of the La Pearl and the Yangtze river and the opening to overseas trade of cities located on the frontiers, province capitals and autonomous regions (Echavarría, 2009, p.86).

As mentioned before in the past three decades China has been taken advantage of its strengths, like low cost labour hand and strategic location, and has been creating an environment attractive to foreign investment, but the government has focused this efforts only the cities, and has forgotten about the country side. This has produced a migration flow from the rural areas to the cities, in the quest for new working opportunities.

## 6. MIGRATION RATE

According to Jiang (2007) the rate of migration has increased significantly during the last three decades and will continue to do so. In the 1980s, China's population of rural-to-urban migrants numbered around 2 million; today, the estimated

number of internal migrants ranges from 150 to 200 million people-over one-tenth of China's 1.3 billion population. Analysts estimate that the total number of such migrants will reach 300 million by the year 2015.

This rate of migration should not only be regarded as the number of people who leave the countryside, but also the level of growth in the cities. It is true that many other factors influence the urban growth, but according to United Nations (2004) it has been steadily high since the end of the 1970s, and this combined with a policy of demographic control, which has slowed down the country's population growth. (Xu & Zhu, 2008) said that this might have been explained by the rural migration to the cities in the search for a better life. The urbanization level rose from 17.92 percent in 1978 to 40.5 percent in 2003, NBS (2004). With an average of annual growth rate higher than 4 percent over twenty-five years, Chinese urban growth ranks among the most rapid in the world. More than half of the Chinese population is expected to live in cities and towns by the year 2020 United Nations (2004).

Since the 1980s, with the progress of economic reform, restrictions on migration began to be loosened. As a result, in that decade, urban population recorded a growth of more than 100 million, most of which was attributed to rural-urban migration flow.

Urban growth usually takes two forms: the expansion of existing urban settlements and the creation of new ones. The rapid urbanization process in China has been accompanied by a considerable increase in the number of cities. In 1978, China had only 193 cities, but the number increased to 434 in 1988 and 660 in 2003. Meanwhile, most cities expanded in terms of both surface area and number of inhabitants (Xu & Zhu, 2008).

## 7. MAIN REASONS FOR MIGRATION

The gap in wage levels between urban and rural areas of China has been estimated as 2.4–1.0 by Griffin & Zhao (1994) and Rozelle (1994), which is larger than observed in most low-income countries at an early stage in their development. According to Schultz (2004) this large difference gap between urban and rural incomes in China can be mainly attributed to different levels of human capital and skills in the two sectors and the low incentives to cultivate the land in an optimized way.

To understand the difference between human capital and skills, it is important to know that the study of years and quality of education of urban and rural, done by Knight & Shi (1996) articulate that rural residents have 4.6 fewer years of schooling than urban residents.

There is also a very important factor that influences the divergence in human capital between the countryside and an urban area and this is the differences in nutrition and health. Even with the egalitarian health and food-sharing institutions of China, there are significant differences in child height and weight (standardized for the child's age), suggesting widespread rural malnutrition in the interior provinces which is likely to stunt adult physical growth and contribute to the early development of chronic illnesses, reducing individual productivity. The lack of nutrition of children also influences in the performance of the children at school, which will ultimately put them in a disadvantaged position with urban children (Schultz, 2004).

To understand why there are so few opportunities to make money by cultivating the land is important to understand what the land reform and the collectivized agricultural institutions do to the agricultural sector.

The system managed by the state is based on giving each family a piece of land, under a land contract, this is due to a length of seven years, once this time passes, the family will be re allocated to another piece of land (Schultz, 2004). The farmers pass their life from land to land, and this discourages them to invest much of their money in improvements of the land, like drainage, fertilizers and so on; things that in the future will improve the productivity of the land, and improve the living conditions of this people. It is important to understand that the land cannot be left alone otherwise, the state will take the land contract away together with everything that is situated in that piece of land, so when the situation is very bad economically, usually the heads of the families choose the strongest and most intelligent children and send them to the cities in order to get a better life and for themselves and for the sake of the rest of the family which is been left behind (Schultz, 2004).

Labor productivity in urban areas continues to increase, probably more rapidly than in agriculture. About 40 percent of the urban labor force comes from migration. However, due to China's strict regulation of social benefits that legally ties residents to one area of the country; the vast majority of these migrants are unregistered and therefore unable to claim either government benefits or protection from employer exploitation. Living alongside their urban counterparts, China's migrant workers face second-class treatment from employers and native city-dwellers alike, an attitude only reinforced by government restrictions on migration. As the need for more urban workers rises, government regulation of internal migration needs to adjust accordingly in order to fully support the workers who form the silent backbone of China's economic and internal development (Xu & Zhu, 2008).

## 8. LIVING CONDITIONS OF THE PEOPLE WHO HAVE MIGRATED FROM THE COUNTRY SIDE TO URBAN AREAS

During decades, we have seen how migration has increased as a consequence of industrialization, as Beatriz Carrillo (2004) mentioned we have also seen how rural people have been discriminated and separated from urban habitants. Since 1958, with the Household, Chinese people has been clearly divided into rural residents and urban residents and a series of policies and systems were established based on HRS (household registration System), such as labor employment, education and work safeguard, pension insurance and so on, which has existed till now as Wei (2007) mentioned. These policies build barriers for rural migrants to enter cities and find jobs easily; they become the object every kind of regulations that discriminate this resulting in a bad quality life.

The discriminations that are made against rural residents mainly occur in aspects such as: the difference in wage and occupation between local urban workers, in the labor market system, in social security systems, education for rural children, conditions of working and living etc.

According to what we just mentioned, we are going to analyze some aspects in which you can see what rural people has to go through in order to live in urban areas.

First of all we are going to speak about employment. At the moment, “employment of rural migrants primarily depends on the social network which is based on blood relationship and geographic relationship. The qualified rural migrant workers do not have the opportunity to work in a better job” as it is said by Wei (2007:2) The rural migrants cannot enter the official employment system in the city if they do not have an urban register household, which is so expensive that almost no one has it. That is why; the majority of rural migrants are engaged in the most painstaking, tired, dirtiest and dangerous work.

Millions of Chinese migrants are living undocumented in the cities, they are not receiving the benefits that registered city-dwellers most have, this includes different types of social benefits and insurance, including many pension programs, and free health care, most importantly, are not available to city dwellers without hukou status (resident permit given by the government of China). Pensions, for example, if offered, cannot be transferred if a migrant moves to another city or returns home. Another thing that is being prohibited by the government to unregistered migrants is education. Furthermore, since hukou status is inherited, these migrant children will face the same barriers as their parents if they attempt to obtain urban *hukou* status.

The discrimination that workers live at their workplace is also a problem. Employers are not accountable for their treatment of unregistered migrants, and workplace conditions are not good at all. According to a report by the Council on Foreign Relations, a migrant worker earns 65 percent of what a native one can earn. China's internal migrants face an insuperable amount of discrimination, this, due to the rigidity of the hukou system (System of residency permits, which dates back to ancient China, where household registration is required by law in People's Republic of China and Republic of China) and the hostility of native city dwellers, who doesn't want to share their government benefits with the millions of new arrivals (Jiang, 2007).

As migrants do not establish a stable relationship with enterprises, and since they don't sign work contracts and since labor law in china does not protect rural people, they are continuously changing jobs, from agricultural and the non-agriculture work which cause job instability. Because of this, they are also hired for a short-term period, to reduce the production cost by using the drawback of policies and the rich supply of rural labor force.

Another important issue rural people have to deal with, and which is much related with employment is the payment. "Rural people who go to urban areas and who start working for a company, are paid the lowest while they work the longest, and the salaries of migrate workers are often below the local minimum even though they have the same charge in the company" (Wei, 2007:2). To give an example and according to National Statistics Bureau, the average wage only is RMB 539 Yuan for rural migrants while the wage is RMB 1339 Yuan for urban workers. Also, many enterprises paid salaries at the end of the year and if they were not happy with the employee's performance they did not pay them.

Talking about social security, one can say that the majority city workers can enjoy kinds of social security and welfare provided by government, while the rural migrants rarely do. The rural-urban migrant workers either have to work in gloomy and crowded conditions or with dangerous materials. Therefore, even if there is no shortage of regulations to protect workers, the regulations are not strictly enforced. It was reported that the mortality rate of rural employees is much higher than urban employees.

The majority of rural people do not count on a Medical insurance; this is because some enterprises usually underreport staff number and total wages in order to pay less on social insurance of rural migrants. When talking about females, when they get pregnant, they face the risk of losing its job and when they do not lose it, they do not have the right to have the maternity leave.

To finish this discussion about the consequences of migrating from the country to the cities, we are going to speak about living conditions of rural migrants.

To settle down in cities, migrant workers had to pay various fees on certificate upon requirement, like temporary residency, work permit and health check and etc. The total costs of obtaining these certificates varied in different cities, but it is often higher from what they are paid, this obliges them to look to other people. "Village in city", which isolate from city, in where they do not live in proper conditions.

On the other hand, accommodation of some rural migrants is provided by the enterprises, but workers live in the dirtiest, simplest work shed or the house without clean water and hygienic facilities, they cannot enjoy the basic treatment of citizen as mentioned (Wei, 2007).

As we could see, conditions of people who migrate from rural areas to urban areas, in search for a better life, are very poor. Migrants go to the cities thinking their life will improve but the reality is another one: a world full of injustice conditions to work in and where they are not treated as they deserve. So after analyzing all these facts we can say that the dream of having a better life is frustrated with a cruel reality where they have neither the right nor the facilities that the rural population expects to acquire, by migrating to the cities.

## 9. CONCLUSIONS

- China's rapid economic growth has made companies be more worry about making money and reduce costs, the way in which they are reducing costs (labor hand costs)
- The main reason why people from rural areas go to the cities is in search for a better life but what most of them get are: bad working and living conditions, exploitation and bad payment.
- Migration is constantly growing year by year at very high rates. In the 1980s there was 2 million migrants, in 2007 it raised to about 150 to 200 million.
- Rural migrant are being discriminated from certain groups of people, from work, from educational and health system among many others.
- There are certain things government is doing in order to control migration and workers exploitation but these are not enough and there are not being well implemented.
- The Mao Zedong era was focused in the agriculture, so isn't unwise to believe that this fact influence people to want to get rid of the rural side, and start over a new life in the urban China now that they have the opportunity.
- China government must play in the side of the Chinese people and not on the multinational's side. Is clear that these companies have helped China to stand



out as a country, but in this case, the common wealth is not been a priority over the particular wealth so they are exposing their population to un-human work conditions while the whole world enrich their self, and the ones that received less are the ones who are sacrificing their lives.

- China belongs to the WTO; they must follow some policies which includes giving good work conditions to their employees, so they must do a big effort not only to improve their social problems, but also to stay at this trade institution to continue doing business with the world.
- The Chinese government must find equilibrium between the urban side and the rural side. Even though they have offered incentives to the citizens so they return to the agriculture industry, is clear that they haven't done enough because the results are weak. So, if the Chinese people is expecting more to return to the rural side, give them what they are willing to have in their lives; for example to guarantee the citizens, education, health, food, a home, etc, can be a great hook to pull people again to the country.

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