

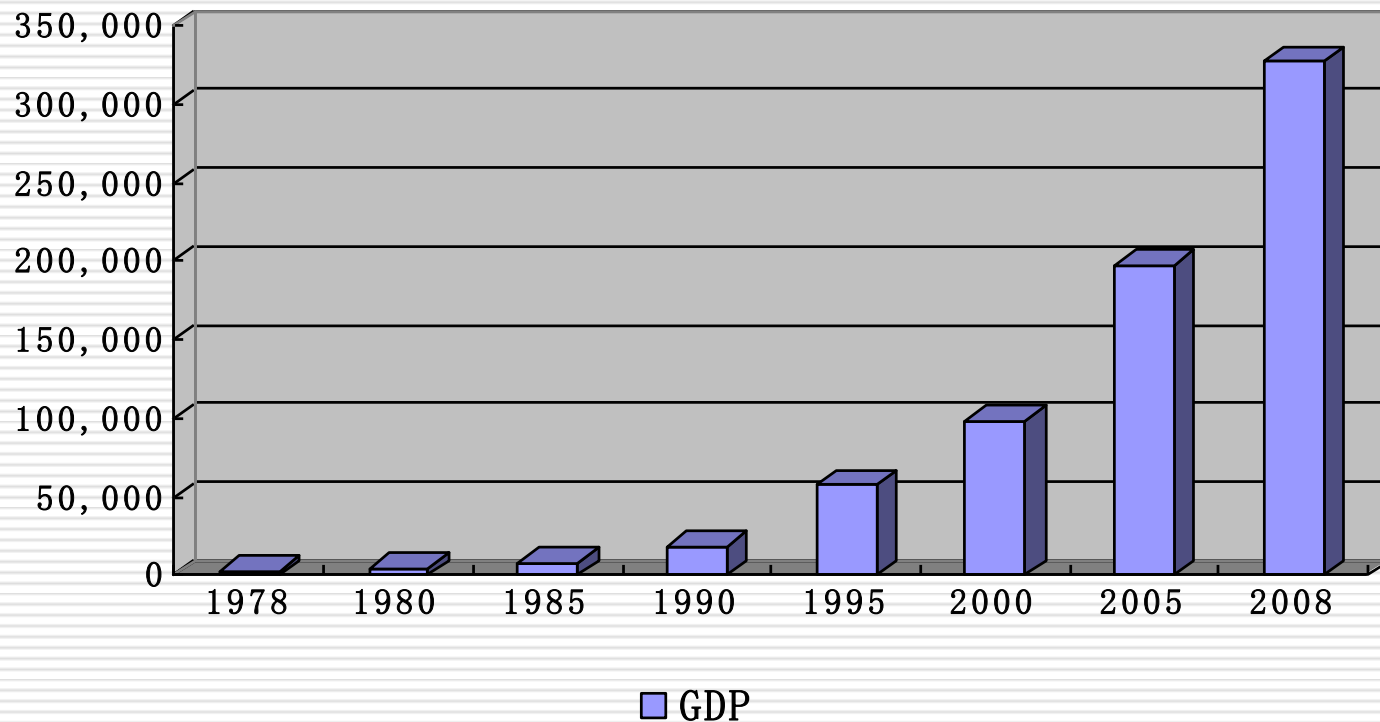
Migration in China: Achievements, Challenges and Perspective



Migration and the Wealth of Nations

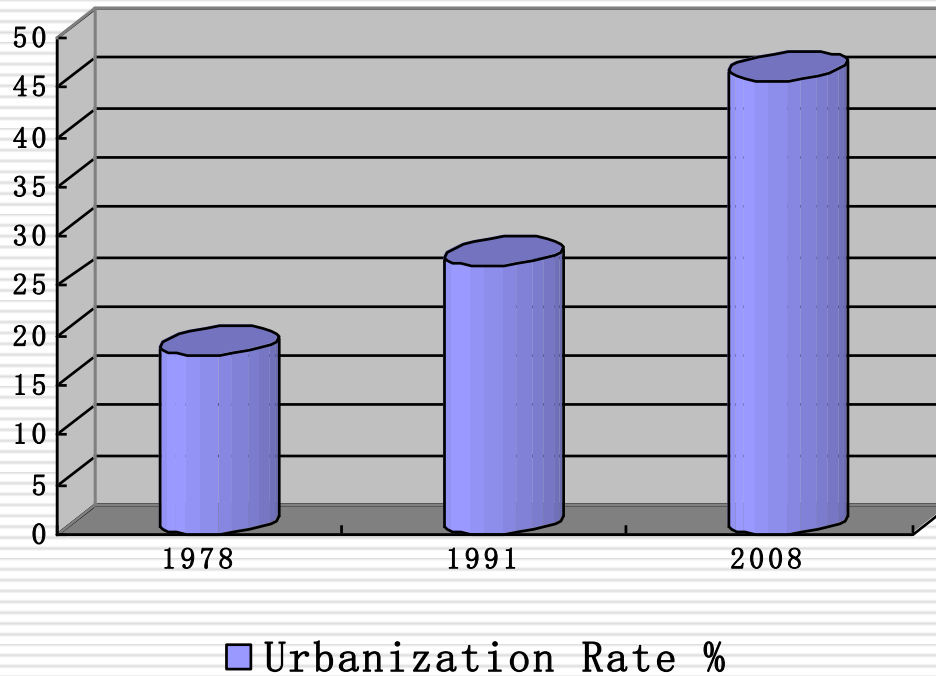
In past 30 years, domestic migration contributed to ...

□ Rapid economic growth



In past 30 years, domestic migration contributed to ...

- Rapid urbanization



In past 30 years, domestic migration contributed to ...

□ Increase of farmers' income

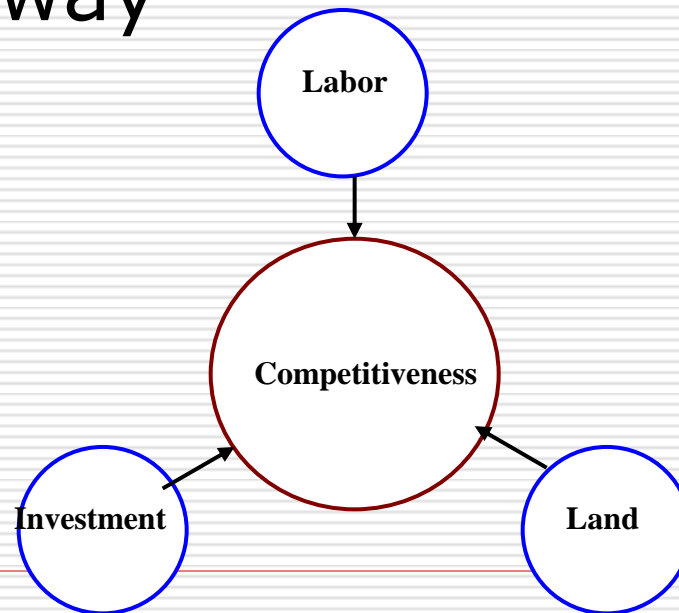
Farmers' yearly net income
(RMB per capita)

1978 135.80

2007 4140.00

What is the right thing we did?

- **Deregulation**- allow market play its role to organize all elements (investment, labor, land ...) together in most efficient way



Challenges we are facing

□ Hukou

- Population administrative system
- Status
- Welfare (education, healthcare, housing, land ...)

□ Mobile population

- Migrants difficult to obtain Hukou in target city, but remain Hukou in source area
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Challenges we are facing

□ Half migration

- Farmer worker = half worker + half farmer
- Migrants difficult to be integrated into local society

□ Half urbanization

- Urbanization of population and land, but not urbanization of people
 - Urbanization can not result in land saving
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Challenges we are facing

- ❑ Over expanded mega cities
 - Resources inappropriately allocated by governments
 - Distorted market – underestimated labor cost
 - ❑ Enlarged gap between rich and poor, urban and rural
 - ❑ Unwilling migrants
 - Farmers who loose their land but are not appropriately compensated
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Further reform

- ❑ Limit government power
 - ❑ Reduce government expenditure
 - Especially government investment in mega cities
 - ❑ Deregulation
 - Cancel Hukou regulation, at least separate social security policies from Hukou
 - Establish united nationwide social security system
 - ❑ Respect market, respect farmers' will
 - Free trade brings efficiency
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Thank you!



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