

Freya Cameron: Why are China's rural migrants stuck in a cycle of poverty?

Introduction:

Since adopting the 'reform and opening up' policy in 1978, China has experienced an almost unbelievable period of growth. By embracing the global market and loosening state control, China's economy has well and truly 'taken off', superseding the US in terms of GDP purchasing power parity in 2014 (Thibault, 2024). However, this optimistic picture of growth and prosperity cannot be celebrated throughout its population. Issues of inequality remain a deep concern, highlighted by China's high Gini coefficient score of 46.5 in 2023 (Textor, 2024a). One of the most important inequalities in China is its rural-urban divide. The mean per capita income in rural districts is only a third of that in urban areas (Sicular et al, 2008), a clear indication of the inconsistencies in China's economic growth. Over 295 million of China's rural labourers have addressed this issue by migrating to urban hubs and yet many of them are still unable to escape poverty. Through the lens of the 'We Were Smart' documentary, I will attempt to answer why China's rural migrant workers find themselves stuck in this cycle of poverty.

China's GDP

(billion US\$ at 2010 prices)

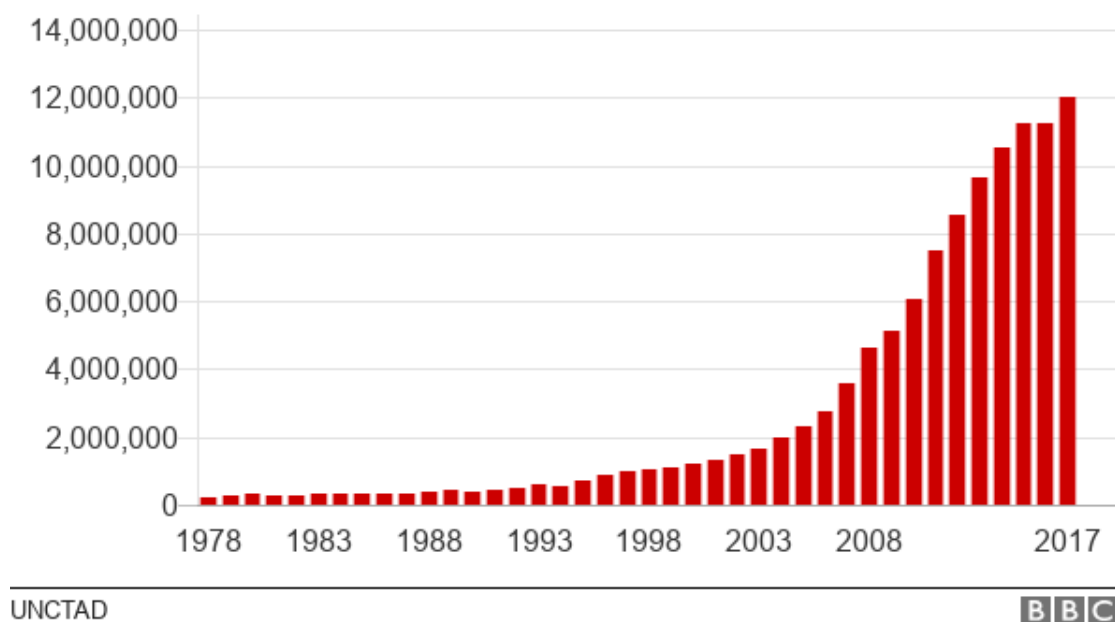


Figure 1: a chart showing China's GDP from 1978 to 2017 (BBC, 2018)

Addressing this issue will be critical for China's future. Currently facing the middle-income trap, China must move away from its reputation as 'the world's factory' (Pajpai, 2024) and upgrade their industry and services to enable their development into a high-income nation. As 27.5% of all migrant labourers in China work in the manufacturing industry (Textor, 2024b), this migrating workforce will be an important player in shaping China's future. The Chinese Communist Party (CCP) must support the redirection and upskilling of this workforce to help assist China's growth and development. In doing this, the CCP will not only improve the security of its economy but will also help rural-urban migrants escape from poverty. If the CCP fails to utilize this resource, China's rural migrants will remain trapped in poorly paid and exploitative employment, as seen in 'We Were Smart'.

Summary of 'We Were Smart':

'We Were Smart' provides a comprehensive and personal perspective into China's rural-urban migrant workers through the interviews of 78 former SMART members. Each interviewee candidly discusses how a lack of education and employment prospects in their rural hometowns prompted their migration to the urban cities during their early teenage years. Whilst some initially struggle to find work, they find themselves accepting employment on the factory lines, with low wages and horrific working conditions seeming almost inevitable. As economic prosperity slips further away from them, the SMART movement offers these young workers a chance to assert their individuality and find solace within a community. Characterised by large and vibrant hairstyles, the SMART community start to meet up at the local skate rink and parks, whilst connecting virtually on QQ chat spaces. Commitment to the SMART subculture was often detrimental to their employment as bosses started refusing work to those sporting the extravagant hairstyles. The documentary ends on a sombre note with online bullying causing the downfall of the SMART subculture and many members returning to their rural birthplaces, many having cut and dyed their hair back to its original colour. After such hard work and commitment to China's manufacturing regime, the rural migrants were ultimately unable to economically prosper and the documentary concludes with many of them being back where they started.



Personal reactions:

The documentary depicts the rural-urban migration as a somewhat futile exercise, with workers being unable to achieve the economic goals they had set off with and continuing to live on the poverty line despite being in the urban cities. This was dispiriting to see, especially when I acknowledged the similarities between myself and SMART members who were often simply aiming to rent a flat or buy a car, commendable but regular milestones for a young adult in the UK. Seeing the nature of the manufacturing work also made me concerned about my position as a consumer. As I watched the documentary, I couldn't help but notice how my laptop, notebook, water bottle and rucksack were all 'Made in China'. This prompted me to consider my role in the livelihoods of the SMART members and other manufacturing labourers in China.

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Figure 2: A group of SMART kids with their vibrant hairstyles (Arato, 2022)

One of the key factors that keeps these migrants stuck in a cycle of poverty is the lack of education in rural China, with the rural child only completing an average of 7.66 years of schooling (Liu et al, 2020). Education is intrinsically linked to better economic outcomes as ‘poor education results in unskilled labour and unemployment’ (Li and Huang, 2009). In ‘We Were Smart’ it was clear how dropping out of education at a young age limited migrants’ career options to either staying rural and working agriculturally or migrating and working in the factories. This shows how restricting poor educational attainment can be. The disparity between the level of education provided in rural and urban areas results from policies introduced in the 1980s and 1990s. At this time, funding for education was provided by local governments resulting in the availability of educational resources and investment being directly linked to local economic circumstances (Xiang and Stillwell, 2023). This shows how the cycle of poverty and low educational attainment of the rural population is perpetuated, as those with a poor level of education are unable to economically prosper and reinvest in their area’s educational system.

The working conditions shown in ‘We Were Smart’ are critical in stopping rural-urban migrant workers from escaping poverty. Fundamentally, low wages prevent migrant workers from increasing their personal wealth and investing in their own futures. It has been found that rural migrant workers are paid 32.2% less per hour than local urban workers (Cheng et al, 2020), indicating that the rural-urban divide is still present once migration has taken place. Low wages prevent economic security, and limit quality of life, with many SMART members being shown to struggle to find food to eat and a place to stay. Conditions are worsened by the informal nature of the jobs taken by SMART members. As many migrated at incredibly young ages, their employment in factories is illegal with one SMART member recalling how she was asked to ‘hide in a box’ during inspections. This type of employment restricts workers’ rights, evident in the SMART members discussions of having to work extremely long hours, being exposed to dangerous toxins and facing injuries from dangerous work practices without healthcare cover. These working conditions provide barriers to ending the cycle of poverty for migrant workers as it stops them having security in employment or having the financial freedom to improve their own and their future children’s livelihoods.

A crucial factor attributing to the cycle of poverty for migrant workers through the generations is the use of the Hukou system. Introduced in 1958, the Hukou system classifies people based on their place of birth with the aim of managing the population by discouraging

internal migration (Trishala, 2023). Having a rural Hukou prevents migrants from accessing necessary social benefits such as education, healthcare, employment and housing in urban areas (Trishala, 2023). This results in China having a floating population of 120 million (Zhu, 2007) who are unable to fully integrate with the local population. The most significant way that this helps continue the cycle of poverty is the restrictions it places on education as this primarily disadvantages the children of migrant parents. In major cities like Beijing and Shanghai, it is thought that only 29.5% of children of low-skilled migrants attend college compared to 96.3% of children of high-skilled urban residents (Sieg et al, 2020). This shows a clear disparity between the two groups. The generational nature of the Hukou system directly acts against social mobility as it prescribes a person's prospects at birth. Therefore, it is undeniable that the current Hukou system must be adapted if rural migrant workers are to escape the cycle of poverty.

Table 6: Share of Children with College Attainment

Parents	Residents		Migrants	
	Low-skill	High-skill	Low-skill	High-skill
Tier 1	67.7	96.3	29.5	93.5
Tier 2	52.9	91.0	24.2	90.9
Tier 3	41.9	89.3	21.9	87.4
Rural	23.0	78.2		

Parents	Permanent Migrants		Temporary Migrants	
	Low-skill	High-skill	Low-skill	High-skill
Tier 1	59.8	94.5	23.6	92.8
Tier 2	38.9	93.2	19.8	88.7
Tier 3	32.1	88.5	18.0	85.8

Figure 3: table showing the differences in college attainment between migrant and resident groups (Sieg et al, 2020)

Conclusion:

Having reflected on the issues discussed in *We Were Smart*, it is clear that there are many reasons why rural migrants are stuck in a cycle of poverty. These factors start at birth with the Hukou system, continue into childhood with the disparities of China's educational system and last throughout adulthood with the exploitative nature and appalling working conditions of China's manufacturing industry. For China to continue the economic progress seen in the decades following 1978, it is apparent that the CCP must reduce the educational inequality in China, adapt the Hukou system and improve workers' rights. Without any intervention, China faces the prospect of being stuck in the middle-income trap. For China's rural migrants, this would leave them in a situation that is only likely to worsen as the manufacturing industry is starting to move to countries such as Vietnam where there is even cheaper labour. This will further limit the prospects for China's rural migrant workers unless they are able to access better-paid jobs in upgraded industries. Whilst 'We Were Smart' ends sadly with the dreams of many SMART members being ruined by their urban reality, there could be a happier ending for China's future rural migrants. With investment in their education and development of the tertiary sectors, this workforce could help China achieve its status as a high-income country and finally break themselves free from the cycle of poverty.

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