Alexa Irwin: Why are Chinese rural migrants unable to break the poverty cycle?

China's rapid urbanisation and industrialisation have fundamentally reshaped its economy, lifting 770 million people out of poverty over the past few decades (World Bank, 2022). Yet there remains a striking disparity between rural and urban populations. I recently watched the documentary ' We Were Smart (杀马特, 我爱你)' directed by LI, Yifan (李一凡), 2019. It explores the lives of young rural Chinese migrants who moved to urban areas in search of better opportunities, and focuses primarily on the "SMART" subculture. Despite decades of migration, the documentary shows that many of these migrants remain trapped in a cycle of poverty. The persistence of inequality may have significant implications for China's socioeconomic stability. The rural migrants who were critical to the nation's economic growth have, ironically, benefitted from it the least due to systematic barriers. Therefore, addressing the causes of persistent poverty is required for ensuring that China can sustain its development and avoid the 'middle income trap'.

Summary

The documentary 'We Were Smart' discusses the rise and fall of 'SMART' kids, an alternative and controversial subculture which emerged in the mid-2000s in groups of young rural-urban migrant workers. The SMART community are known for their extreme hairstyles, which gave them a sense of community, bravery and therefore safety. Their unique style also brought them attention from the urban population, who would usually ignore them and ostracise them.

Examples of a typical SMART hairstyle.

Li Yifan also touches on the fact that these people were usually the 'left-behind' rural children of factory workers, overwhelmingly from villages in central and western China. They left school as young as elementary school age to work in dangerous, monotonous factories and construction sites in cities such as Shipai, Dongguan, with wages as low as $1.5 an hour. "Who hasn't been injured?" said one interviewee, which perfectly summarises the precarity of their lives. Poorly educated and illiterate, they would often be stolen from and exploited by factory bosses. For example, many would try to leave their jobs, but bosses would not pay them unless they stayed. The SMART style helped these workers cultivate a tougher appearance, one that discouraged people from messing with them. One interviewee said "I wanted to be badass, I wanted to be safe". Despite these challenges, SMART style fostered solidarity through shared aesthetics and online communities such as QQ groups known as 'clans'. However, the movement faced hostility from mainstream media. By 2012 online cyberbullying had escalated to organised efforts to dismantle SMART QQ groups. This extended into real-life violence, forcing many participants to cut their hair for safety and economic survival. The community still existed after this, but at a smaller scale. Some members would dance on live streams, while others moved back to the countryside to help on the farms.

Watching 'We Were Smart' evoked a mix of emotions- admiration for the resilience of these young migrants, but also deep sadness over the systematic struggles they faced. Although I cannot relate to their struggles, I have always had an interest in alternative fashions and can relate to the feeling of wanting to be different through fashion and hair. I can understand how SMART fashion empowered the members, even if the public looked at them with a judgemental view. The director Li Yifan 'spent two years collecting 915 first-hand video recordings from former [SMART] members' (IMDB, 2019). The true authenticity of the documentary brought to life the harsh realities of rural-urban migration in China, which is a topic I was previously generally familiar with but did not grasp the true nature of. The SMART movement reveals deep-seated societal issues in China, which I am exploring with my research question.

<u>Analysis: Why are Chinese rural migrants unable to break the poverty cycle?</u>
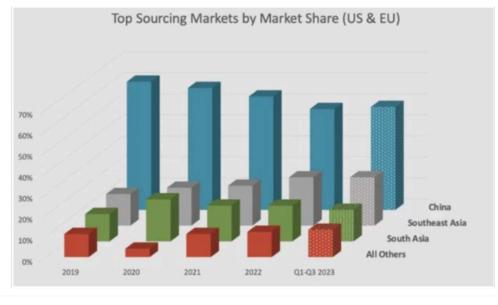
An obvious reason for this is the extremely low wages which migrant workers were paid. The average monthly wage for a rural migrant worker in China is approximately 4,072 RMB ($570), significantly lower than urban residents' average of 6,362 RMB ($890) (National Bureau of Statistics, 2023). This wage gap, alongside the high cost of urban living, made it incredibly difficult for migrants to save money. Migrant workers were usually living pay check to pay check and sending money back to their families in the countryside, leaving them with little to no savings, trapping them in a cycle of poverty.

Another main contributor to the poverty cycle is the disparity in educational opportunities between rural and urban areas. The documentary reveals how 70-80% of rural youths dropped out of school to migrate to urban areas in search of work, and only 30% of China's population has had any high school education (Why China Matters, 2024). A lack of basic

education limits their chances for higher-paying, skilled work. Low education levels is a key factor that keeps countries in the "middle-income trap", a stage where economic growth stalls due to a lack of skilled labourers. It has also been suggested that high levels of education are essential for escaping the middle-income trap (Rozelle & Boswell, 2021).

Importantly, China's Hukou system limits the opportunities of migrant workers in cities. This system, introduced in 1958, aimed to protect agricultural production (Why China Matters, 2024). China divides its people into two categories from birth- urban and rural. The vast majority of the 900 million 'rural' people in China have been kept out of the middle class, because the Hukou system restricts access to high quality education and healthcare- these services are exclusive to urban families. (Rozelle and Boswell, 2021). As Deng and Law (2020) note, 221 million people were living outside their officially registered location as of 2010, with this figure increasing annually by approximately 10%. This large-scale internal migration shows that despite limited access to services, many people still opt for urban jobs.

SMART members were also financially instable. They would often spend their earnings on non-essential matters such as hair styling, clothes and leisure activities, notably the roller-skating rink which was a popular spot with SMART members. This was likely to cope with the mental stress of their difficult jobs and working conditions, providing some form of temporary relief. However, this would leave them with no saving money. In addition, most SMART members gave up on saving for their dreams because they were paid so little, for example one SMART member explained that buying an apartment would cost 20 years of wages. Because of this, they were left without any savings which further contributes to keeping them in a cycle of poverty.

Source: QIMA

Finally, although China still heavily relies on the manufacturing sector, with industrial production as the leading driver of the economy and accounting for 1/3 of China's GDP in 2021 (Why China Matters, 2024), many companies are now outsourcing this work to other countries. According to ASEAN Exchanges (2024), manufacturing jobs are now being

outsourced to cheaper southeast Asian countries like Vietnam and Bangladesh since 2010 due to rising domestic wages in China- this shift can be seen on the figure above, which displays the top sourcing markets from 2019 to 2023. There is a clear decrease in China's market share (from around 60% to 50%) and at the same time, a gradual increase in Southeast Asian shares. This phenomenon has left many rural migrant workers in China without secure employment opportunities, further limiting the chances of breaking the poverty cycle.

<u>Overall Thoughts</u>

In conclusion, 'We Were Smart' highlighted how despite hard work and migration to urban areas, rural migrants are unable to escape poverty. The documentary prompted me to research the several complex factors which cause this inescapable cycle- low wages, disparity in educational opportunities, the discriminatory Hukou system and the rise of southeast Asian economies in outsourcing manufacturing work. These factors have created substantial barriers that prevent migrants from improving their socio-economic status. The implications for China's future are clear. If the country wants to avoid the "middle-income trap", reforms are needed to address these systematic barriers, for example a possible reformation of the extremely flawed Hukou system as well as investment towards quality education in rural areas. Better education means migrants would be able to secure higher paying jobs in safer environments. Without these reforms, the country will undoubtedly face challenges due to the shortage of unskilled labour.

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