

Opportunities and Challenges of Development Induced Migration: Evidence from Post-Reform China

Extended Abstract:

The radical changes in the economic system of China began in 1978, when Deng Xiaoping was assigned political power immediately after the Cultural Revolution. As apposed to Mao's economic policy, he allowed the role of market economy in the process of economic development. To promote modernization in the different sectors of the economy a number of reform measures were initiated. One such initiative took place in external sector of the economy through experimenting policy of SEZ in a few selected coastal regions of China. These special economic entities were designed by a set of special institutional, administration packages, which were novel in the economic history of china. The SEZs policy of China contributed immensely in the economic transition of the country in the last two and half decades, particularly through increasing share of China in the world trade and foreign investment. However, there are a few underpinnings of its transition, which have posed not only opportunities but also challenges to the economy. One such challenge is development-induced in migration in the post-reform China. Unlike other countries, migration in China presents a different scenario, explanation and challenges owing to is political and institutional set-up.

In the literature however, the positive strides of economic development are highly appreciated and recorded. But, there is a very little attempt to explain the negative externalities generated in the process. One such challenge is related to the issues around migration. To shed light on this aspect, the paper take a holistic appraisal of a few issues around in-migration. A few questions, which crop up and addressed in the paper includes; What are the economic and demographic changes taking place in the post reform period. What is the volume of in migration, what are its causes and how in migration is mechanized. Finally, what are the opportunities and challenges posed to the economy due to high in migration.

Methodology:

In order to assess the emerging opportunities and challenges of development induced in migration we have taken Shenzhen SEZ as a case study due to two reasons. One, it is the biggest SEZ in China and in the world. Two, it represents a classic case of Industrial Township owing to its commanding performances according to the stated objectives of SEZ in comparison to other SEZs; and background of its transformation from a small fishing community to a full fledged industrial township. The Shenzhen transmission was destined by the decision of Deng Xiaoping to experiment a unique trade policy in the region known as special economic zone. Thus, a small fishing village was allowed to taste the experience of capitalism in 1979.

For the purpose of analysis, both secondary and primary data sources are explored. Chinese statistical Yearbook (2006) and Shenzhen Statistical Yearbook (2006) are the principal source of secondary data. Data set comprises for the period ranging from 1980 to 2005 (post-reform Period). Primary information was gathered during the author's extended fieldwork in China, has also used to substantiate the findings of secondary data set. Analysis carried out records the radical economic and demographic shift during last two and half decades. In line with this, high volume of in-migration was witnessed. As an explanation to its trend, it is observed that multiple factors have fueled the decision to migrate. Analysis reveals a detailed account of various challenges experienced due to the higher in-migration in Shenzhen. Major one includes lack of social security to migrants owing the existence of Hukou System; regional disparity in development, adverse impact on the agriculture and increasing prices of commodities. Implicitly, findings of the paper call for cautious approach to other countries like India which are determined to experiment similar line of reform.

Organization of the Paper:

The paper will be organized as follows. The first one provides background to the study. Second section outlines the brief description of methodological issues. Third section provides holistic picture of the economic and demographic changes that took place during the post reform period in Shenzhen (the study area). Further, it explains volume, cause and mechanism of in migration. It also briefly summarizes the challenges generated in the process. Last section of the paper concludes with major findings, which provide policy lessons to other economies, engaged in imitating similar line of reforms.