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IDE DISCUSSION PAPER No. 337

**Migration as a Rural Development Strategy and the Migrants Involved: An Account of a Migrants' Hometown in Sichuan, China**

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**Abstract**

This paper attempts to describe part of the history of Chinese rural migration to urban industrial areas. Using a case study of a township in Sichuan, the author examines a type of rural development which she defines as a “bottom-up” style strategy of regional development. Different types of social mobility are observed in the case study, and over its long history, migration in the township has offered diverse means of social mobility to the local peasants. The paper concludes by considering the diversity and limits of Chinese social mobility at this stage.

**Keywords:** China, migration, social mobility, rural development

**JEL classification:** I39, J49, J68

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## 1. Introduction

Sichuan Province in southwestern China is located in a region far distant from the movement toward marketization due to the fact that China's economic development started with economic reforms in 1978 which emerged in the coastal area of southeastern China. The inland area of southwestern China has remained underdeveloped, with many mountainous and hilly areas, a relatively small proportion of cultivated land, and a large population. It has mainly been an agricultural area, but because of the small size of households' agricultural holdings, peasants' agricultural income has been low for a number of decades.

Given these conditions, people are driven to consider emigration as a means of increasing their income. However, the size of emigration differs dramatically among the several provinces of southwestern China. Sichuan Province, with 82 million in population, has 13 million emigrants,<sup>1</sup> representing 15% its population (2000 population census). Most of the emigrants are migrant workers (*nongmingong* or *mingong* in Chinese) going away for work for their families' sake. On the other hand, Yunnan Province, which has 42 million in population, which is basically half of Sichuan's, has only 3 million people (less than one-fourth of Sichuan's) emigrating. Among China's southwestern provinces, Sichuan is outstanding not only for the size of its emigration, but also for the migrants' incomes and their contributions to household income.

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<sup>1</sup> "Emigrants" as used herein refers to locally registered residents who are away from their townships and villages for more than three months.

The purpose of this paper is to explore why Sichuan, in particular among other southwestern Chinese provinces with similar geographical and economic conditions, managed to send out so many migrant workers and to consider what kinds of consequences the individual migrants have realized.

In the early stage of Chinese economic reform, peasants' migration to urban areas was not authorized by the central government. So, the early stream of migration was a kind of informal action without institutional supports. The hypothesis of this paper is that, in Sichuan, the local government took the initiative in supporting peasants' emigration and realized a bottom-up institutionalization. As its result, whereas institutionalization by the central government was delayed in the area of labor migration, Sichuan has been successful in sending out a large amount of rural laborers and increasing the size of emigration.

## 2. Bottom-up Style of Regional Development

Generally speaking, regional development refers to a development strategy planned by the central government. Here, we define it as the top-down style of regional development. In the case of top-down style regional development, the central government adopts a policy, and then local governments carry it out. In contrast, Sichuan's migration support policy which is under discussion here was an action initiated by the lowest level of local government. This means that the lowest level of

township and village governments took the first action, then the upper level of county government adopted these actions as policy, and finally the provincial government adopted the actions as provincial development policy. Since this represents a series of institutionalizations starting at the lowest level and trickling up to upper level governments, let us define it as a bottom-up style of regional development. Local government consists of four levels in China: province, district, county and township, and village. For the purposes of this paper, unless otherwise specified, “local government” refers to all four of these levels of government.

Kato (1997:107) mentions that, in developing countries, economic development is hindered by the lack of a market or a defective market. In such cases, governments often take on the task of forming or enhancing their markets. He also says that, in developing countries other than China, the government might be the central government, but in case of China during its economic reform era, local governments prominently played this role.

The local governments’ role as a market promoter may be described as consisting of two aspects (Kato 1997:106-133). One aspect is the local government’s economic function wherein it acts like a for-profit enterprise. Oi (1992, 1995) notes that local governments in China, in order to increase their fiscal revenue, afford many kinds of economic benefits to the companies in their administrative districts. For instance, local governments using their administrative power may gather information, capital, and materials which the companies cannot access in the market and offer these to the companies. Or, they may also assist companies with administrative services such as issuing permits and licenses, and reducing taxes. Kato (1997) calls this type of local government action the “behavioral principle of enterprise.”

Kato observes another aspect of Chinese local governments which is called the “behavioral principle of community.” This relates to local governments’ economically irrational behavior, such as giving priority to the local expansion of employment or income redistribution even with some sacrifice in economic efficiency. He argues that Chinese local governments are distinctive in that they display both of these aspects.

Ishihara (2000:59-60) also pays attention to Chinese local governments’ positive contribution to their local economic development. Their roles are described in the five following points: 1) taking economic leadership in promotion of profitable industries and local brands or opening up of new markets, 2) offering public goods and services, 3) adopting radical reforms which central governments have never attempted, 4) promoting opening-up policies such as attracting foreign capital, and 5) offering daily and social security to residents. Here, we might pay attention to the third point by noting that local governments often adopt radical reforms which are not authorized by the central government.

Another related study about the role of local governments is from the field of political economy. Miyake (2006:2) argues that the most important incentive provided by Chinese local government for economic growth is its merit assessment system, which results in “local government-driven” economic development. The functions of local governments in China comprise a broad range of economic interests and their own interests, but the authority over personnel placement of local government leaders is in complete control of the upper level government. For this reason, local government leaders always work with an awareness of how they will be evaluated under the merit assessment.

Especially during the economic reform era after 1978, the central government pursued economic development as its main aim. In this environment, the economic development level of local governments became one of the most important standards

used by the central government for the merit evaluation of local governments and also for the selection of local leaders (Zheng 1995:28).

In the following chapter, local governments' active role in supporting migration will be discussed.

### 3. Income and Employment of Rural Households of Southwestern China

Table 1 shows the change in rural household income during the 25 years after the economic reform. We can see that 1) the average rural household income in west China is consistently lower than the average of China overall, 2) among the southwestern provinces, Sichuan's household income is the highest (actually, it rose higher than the average of western China's 12 provinces), and 3) on the other hand, the household incomes of Yunnan and Guizhou are much lower than those of Sichuan, Chongqing, and Guangxi.



Table 1 Average Income of Rural Housholds per Capita							
							(Unit: RMB)
Year	Income per capita						
	China						
	West China 12 provinces						
			Guangxi	Chongqing	Sichuan	Guizhou	Yunnan
1980	191.3	172.7	137.7	-	187.9	161.5	150.1
1985	397.6	316.2	303.0	-	315.1	287.8	338.3
1990	686.3	552.7	639.5	-	557.8	435.1	540.9
1995	1577.7	1116.8	1446.1	-	1158.3	1086.6	1011.0
2000	2253.4	1661.0	1864.5	1892.4	1903.6	1374.2	1478.6
2005	4631.2	3646.0	3717.5	3783.0	4158.2	2660.6	3179.2

Note: West China 12 provinces includes; Inner mongoria, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shanxi, Gansu, Qinghai, Ningxia, Xinjiang.

Source: China Year Book of Rural Houshold Survey (2005: 97,121,155,189,223,282, 2010:108,275).

Table 2 shows that, among the components of rural household income, household management income, which includes agricultural income and wage income, contributes quite a large share.

	Household income (RMB)	Component ratio(%)			
		Wages	Agricultural income	Property income	Transfer income
China	5153.2	40.0	49.0	3.2	7.7
West 12	3816.5	-	-	-	-
Guangxi	3980.4	36.8	56.0	1.0	6.2
Chongqing	4478.4	42.9	47.2	1.5	8.5
Sichuan	4462.1	40.8	46.5	2.1	10.6
Guizhou	3005.4	35.7	51.2	2.7	10.4
Yunnan	3369.3	20.3	67.6	3.8	8.2

Note: West China 12 provinces includes; Inner mongoria, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shanxi, Gansu, Qinghai, Ningxia, Xinjiang.  
Source: China Year Book of Rural Houshold Survey (2010:116,344).

Table 3 shows the components of wage income. From this, we can see that, firstly, compared to the national average, the average wage income is lower in each of China's southwestern provinces; however, secondly, the outstanding difference is seen in the contribution of "outside employment income" which refers to income earned by migrant workers outside the townships and villages. Guangxi, Chongqing and Sichuan's share of migrant income is higher, which reflects that it is not easy for the peasants in southeastern China to earn good wage income locally. Thirdly, in contrast, migrant income in Guizhou and Yunnan is quite low. In particular, Yunnan's wage income as a whole is extremely low, and at the same time, its income from outside employment is also low.

	Amount of wage income (RMB)	Component ratio(%)		
		Employment income inside township and village	Employment income outside	Employment income excluding enterprises
China	2061.3	48.5	52.4	10.3
Guangxi	1465.2	36.6	52.4	11
Chongqing	1919.7	30.2	63.7	6.1
Sichuan	1821.4	29.2	62.9	7.9
Guizhou	1074.3	44.5	39.6	16
Yunnan	685	66.1	20.4	13.5

Source: China Year Book of Rural Household Survey (2010:346-347).

The above allows us to comprehend the characteristics of southwestern China. It is apparent that 1) in southwestern China, as in China overall, wage income is the key component of rural household income, 2) wages from migrant work are the main cause of the difference in rural household income amounts, and 3) the opportunities for migration vary greatly between regions.

Table 4 shows the number of emigrants from each province, based on the year 2000 population census data. Sichuan is the largest sender of migrants both inside and outside Sichuan. From this table, we can see that, in Sichuan, the amount of migration is massive. We shall examine how migration became so popular in Sichuan and what kinds of benefits individual people derive from the widely spread migration opportunities.

Tabel 4 Size of Population and Migration of Each Province (2000)

(Unit: million people)					
	Provinces	Resistered population of "hukou"			
			Migrants		
			Total	Inside province	Outside province
1	Sichuan	82.3	13.1	6.129	6.9
2	Guangdong	85.2	10.7	10.24	0.4
3	Hunan	63.3	8.4	4.047	4.3
4	Jiangsu	73.0	8.3	6.563	1.7
5	Hubei	59.5	7.9	5.095	2.8
6	Henan	91.2	7.8	4.724	3.1
7	Anhui	59.0	7.7	3.328	4.3
8	Shantong	90.0	7.5	6.435	1.1
9	Jiangxi	40.4	6.8	3.112	3.7
10	Zhejiang	45.9	6.4	4.91	1.5
11	Liaoning	41.8	5.8	5.437	0.4
12	Guangxi	43.9	5.2	2.806	2.4
13	Hebei	66.7	5.2	3.951	1.2
14	Fujian	34.1	4.6	3.766	0.8
15	Heilongjiang	36.2	4.6	3.382	1.2
16	Neimenggu	23.3	3.8	3.28	0.5
17	Guizhou	35.2	3.6	2.007	1.6
18	Shanxi	32.5	3.4	3.053	0.3
19	Jilin	26.8	3.2	2.641	0.6
20	Chongqing	30.5	3.2	2.222	1.0
21	Yunnan	42.4	3.1	2.707	0.3
22	Shanxi	35.4	2.7	1.939	0.8
23	Shanghai	16.4	2.4	2.25	0.1
24	Beijing	13.6	2.3	2.174	0.1
25	Gangsu	25.1	1.9	1.329	0.6
26	Xinjiang	18.5	1.6	1.419	0.2
27	Tianjin	9.8	1.5	1.447	0.1
28	Hainan	7.6	0.7	0.596	0.1
29	Ningxia	5.5	0.6	0.481	0.1
30	Qinghai	4.8	0.5	0.398	0.1
31	Xizang	2.6	0.1	0.105	0.0
	Total	1,242.6	144.4	101.972	42.4

Note: The definition of "migrant" is someone who stays more than 6 months outside his or her township or village.

Source: 2000 population census of China (2002 volume 1: 2,730,750-757)

#### 4. Development of the “Migration Economy”

Sichuan has a registered population of 89.8 million (*huji renkou*), and its agricultural population amounts to 67 million (Sichuan Statistical Yearbook 2010:68). Sichuan’s average cultivated acreage is 0.8 *mu* (1 *mu* is 670 square meters) which is considerably smaller than the national average of 2 *mu*. This population pressure on the land is presumed to be the main reason for Sichuan’s strong orientation toward immigration.

The provincial government of Sichuan has been publicizing the idea that “development of migration is one of Sichuan’s most important strategies” (Sichuan Yearbook 2006:617). As a regional development strategy, this is very unique because its target is an increase in peasants’ migration rather than development of some conventional industry. The provincial government of Sichuan refers to it as “labor force development (*lao wu kai fa*)” and supports peasants’ migration in order to increase rural household income and also as a leading industry for the development of the rural economy.

What led to the formulation of this idea for regional development in the minds of Sichuan’s leaders? In Sichuan, migration initially began with voluntary movement by peasants seeking job opportunities. This is common in rural areas nowadays, but in Sichuan, migration started at the end of the 1970’s, which was slightly earlier than in other places. At that time, in Sichuan, the contracted management system had just been adopted, and peasants were freed from production team work. They then began to venture into the rural free markets to earn money for their living. Their main destinations for work were the relatively developed medium to large cities inside Sichuan and also in the neighbor provinces of Yunnan and Guizhou. The migrant were self-employed in repair work, transportation, sewing, and food and drink services, and they were employed in construction and mining.

In the mid-1980's, people started to notice that their neighbors were migrating for work and returning with their earnings. At the same time, grassroots officials also noticed the migrant workers' contribution to escaping from the poverty. The migrants not only contribute to the construction of the outside economy and fulfill the labor demand of the urban service sector but also have great potential for contributing to their home village economies (Guo 1997:241-242). The main types of migrant work during this period were construction and mining work or service jobs, and employers began using migrant laborers for these jobs quite early. Next, we will examine how the local governments have supported the movement of migrants.

#### 4-1 The work of township and village governments: The case of Z Township

Zhugao Township (Z Township) of Jintang County in Chengdu City is a hilly area, 64 kilometers away from the center of Chengdu City. Z Township has a population of 50,000, and of these, 14,000 reside outside Z Township. Z Township is one of the earliest cases where migration support was provided by a township or village government. In its early stage of emigration, the Z Township government, cooperating with its upper level county government, played a large role.

The start of government support for emigration was in 1985 (Xu 2003: 237-251). At that time, the peasants of Z Township had already progressed beyond the period when shortages in food and clothing were common, but peasants had little cash income and scraped by on a subsistence living. Secretary S of Z Township's CPC was the key person who set up the township's emigration support measures. In those days, Secretary S, a top leader in the township's government, achieved good results and thought that the best achievement was the increase of peasants' income and promotion of economic development in Z Township. However, Z Township had few industrial resources or human resources with special skills, and each peasant's 0.8 *mu* of land was too small to earn a good income. Secretary S thought the only way to achieve an

increase in peasants' income and government's fiscal revenue was to rely on the outside world. At the beginning of the 1980's, the opportunity to migrate for work was limited to a few peasants who had relatives or friends in other cities. Secretary S considered how to spread migration opportunities to other peasants.

At that time, a job offer from a spinning mill in Chengdu arrived from the labor office of the upper county level government. Z Township reacted positively to this offer, and the township government, working through its women's federation, organized 60 women to go to the factory. For the applicants and their families, Chengdu was a good location for work because of its proximity to Z Township and the ease of estimating transportation cost and the price of goods. The women's families welcomed the labor contract which was concluded between the county labor office and the factory. The peasants trusted the "government" at that time.

With the success of this first migrant dispatch project, Z Township's initiative became known to its people. So in March 1986, Z Township's government established a labor dispatch office. It sent 2,214 laborers to 21 factories and companies in Chengdu during the four years from 1986 to 1989.

Then in 1987, Chengdu City started to expel immigrant workers. With this as a turning point, Z Township abandoned Chengdu as a favorable destination with low risk and started to seek a new destination for its laborers.

In December 1987, the labor office of Jintang County received information that Guangdong had a large need for laborers. To conduct an inspection, five representatives from the county labor office, the labor service company (*laodong fuwu gongsi*) under the labor office, and Z Township's labor dispatch office went to Guangdong. They toured Zhuhai, Guangzhou, and Shenzhen and finally choose Dongguan as it was a late-developing area in Guangdong with huge potential for economic development,

while the price of goods was still reasonable and public security was tolerable. They concluded a cooperation agreement for labor service with Dongguang City, and then the labor service company of Dongguang introduced Houjie Township to them. Subsequently, the Z Township government sent their inspection team to Houjie twice, finally resulting in the conclusion of a contract with a leather factory in Houjie to send 50 women workers. In 1988, government officials in Z Township recruited 50 women workers to meet the factory's requirements and dispatched them to the factory. The Z Township government sent a government official to Houjie and opened a Houjie office to mediate between the Z government and the factory. The office gathered job information, made labor contracts with factories, sent laborers, and mediated conflicts as needed. Since there was no free labor market, the government, instead of the market, mediated between the employers and the laborers.

Secretary S of Z township received a high evaluation for the success of this labor dispatch project and was later selected for the post of Jintang County governor. Furthermore, he produced good results in Jintang County in the field of labor dispatch and was promoted to become the secretary of the county's communist party.

In the case of Z Township, the township government played a direct role in gathering job information and in organizing and sending the laborers. In the early stage of migration, migrants lack these critical resources, and in the case of Z Township, the government happened to play this central role.

#### 4-2. Evaluation of the local governments' role in "bottom-up style regional development"

We have examined the grassroots local government's positive role in supporting labor migration to the outside. This is considered to be "bottom-up style regional development" which the author delineated in Section 2. The provincial



government of Sichuan later established the “labor service development group” and its secretariat office in the government and set up a management system for labor migration targets set at each government level, exploring the broad labor dispatch market between each level of Sichuan’s local government and governments outside the region. The Sichuan government absorbed the experiences of the initiatives at its lower levels and adopted their policies.<sup>2</sup> Since these “bottom-up style” policies were institutionalized after trial at the grassroots level, they tend to be practical and effective.

Meanwhile, the institutionalization of migration by the central government was no longer delayed. The state council issued a principle for resolving the problems of Nongmingong in 2006. This is considered to be the first comprehensive policy for settling migrants in the destination areas and mentions 1) the low wages of migrants and the lack of or delay in wage payment, 2) well-ordered labor management, 3) offering of job information and skill training, 4) offering of social security and common services, 5) protection of human rights and benefits of migrants, 6) realization of non-agricultural employment nearby, and 7) establishment of leading organizations for migration services. These are important principles which represent the central government’s stance, but since there is no funding from the central government, the enforcement will differ depending on each local government’s efforts.

With consideration for these principles of the central government, the Sichuan provincial government issued a policy in July 2006. This policy includes 1) setting specific target numbers for migration, 2) offering occupational skill training for rural laborers, 3) emigration of rural laborers and promotion of non-agricultural employment, 4) increasing wages and solving the problem of delayed and unpaid wages, 5) organizing labor management order, 6) resolving social security problems, 7) offering public services, 8) creating institutions for the protection of human rights and the benefits of migrants, and 9) establishing leading organizations for migration services.

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<sup>2</sup> See the other paper for a more detailed discussion of the process of “bottom-up style regional development.”

This policy of Sichuan is basically composed of the same measures that have been implemented since the mid-1980's. This "bottom-up style regional development" was institutionalized in the central government's policy.

In Section 2, we discussed the "behavioral principle of enterprise" and the "behavioral principle of community" which are two aspects of local government. In the local governments' actions in the institutionalization of migration support, we can observe both these aspects of local government. For example, the township and village governments' actions to assist their peasants' emigration in order to increase their income is considered to be an instance of the "behavioral principle of community." On the other hand, in the process, the township government collaborated with its upper level (county) government, using the advantage of administrative resources for success in supporting its peasants' emigration. This is considered to be an instance of the "behavioral principle of enterprise," wherein the local township and county governments work for a common benefit.

What is their common benefit? Of course, we might think of the economic effect of returned migrants, but in the early stage of migration, few emigrants managed to learn skills, earn adequate money and start their own businesses. Local governments at that time never anticipated an economic effect from the returned migrants, yet in Z Township, an economic effect became apparent from the late 2000's. However, the new wave of migration seems to be a result of marketization, not the government's actions as before. Let us review the recent changes in migration in the case of Z Township in the following section.

## 5. Emergence of Entrepreneurs and Returned Migrants in Z Township

According to the author's recent fieldwork, the government's migrant dispatch project in Z Township was the main channel of Z Township's migration until the early 1990's, a period in which there was an excess of labor in the market. However, after the increase in demand for labor in the late 1990's, especially after the migrant labor shortage (*min gong huang*) during and following 2004, Z Township's official migrant dispatch project totally disappeared. At that time, seeking jobs became much easier for the migrants, and the migrants had developed many of their own information channels. No one needed government's help in seeking jobs.

A new occurrence after the labor shortage in 2004 was the emergence of small factories in Z Township and an increase in the return of migratory peasants. This started in 2006, when there were eight factories in the township. The number of factories increased to 14 during 2007 to 2009 and to 16 factories since 2010. Among the 16 factories in 2011, 11 were shoe factories and 5 were the clothing factories.

Table 5 shows the types of factories, the year established, and information about the entrepreneurs. Regarding the profiles of entrepreneurs, 1) most of them were among the early emigrants to Guangdong in the 1980's and early 1990's, 2) most of the entrepreneurs established the same type of industry as they worked in Guangdong, and 3) some factories (factories 3, 5, and 6 in Table 5) have outside owners but are managed by Z Township residents.

	Name of factory	Type of industry	Year established	Entrepreneur	Numbers of employees
1	Pengcheng	stock raising	2004	34 year-old woman, Z Township resident	48
2	Yongrui	clothing	2007	39 years old woman, Z Township resident	100
3	Shifang	shoes	2007	Outside people from Chongqing, men in 40s	20
4	Fumin	clothing	2008	41 years old women, Z Township resident	60
5	Chuanfu	shoes	2008	Outside people from Zizhong County, men in 30s	100
6	Lianmeng	shoes	2010	Outside people from Jianyang County, 36 year-old men	67
7	Jinhua	shoes	2010	42 years old men, Z Township resident	21
8	Tianya	shoes	2011	40 years old men, Z Township resident	75
9	Tongxin	shoes	2011	32 years old women, Z Township resident	26

Source: Interviews at the factories.

Most of the factories are new and have fewer than 100 employees. They also experience a significant seasonal fluctuation in the number of employees.

Type of industry	Work hours	Holidays	Wages	Dormitory
1 stock raising	8:00-12:00, 14:00-18:00	No	Minimum RMB 800+piece rates, Ave. 1000	Free of charge
2 clothing	8:00-21:30	Saturday	Piece rates, RMB1200-2000	Free of charge
3 shoes	8:00-9:30	1-2 days in month	Piece rates, RMB1600-1700	Free of charge
4 clothing	8:00-supper-22:00	No	Piece rates, RMB1400-2000	Free of charge
5 shoes	8:00-12:00, 13:30-17:30, 19:00-21:00	2 days in month	Piece rates for product workers	15 RMB/month
6 shoes	8:00-12:00,12:30-18:00	2 days in month	Piece rates, Ave. RMB1700	Free of charge
7 shoes	8:00-12:00,13:30-18:00,-supper-20:30	1-2 days in month	Minimum wage +piece rates	Free of charge
8 shoes	8:30-lunchi30min.-17:30	1-2 days in month	Minimum wage +piece rates, RMB1500-1600	No
9 shoes	8:00-12:00, 1:30-5:00	No	Minimum wage +piece rates	Free of charge

Source: Interviews at the factories.

Table 6 shows the working conditions in the factories. We observe the following: 1) long working hours and few days off; three factories offer no holidays during a month (Although one requires no overtime, and another requires no overtime on Saturday night), 2) wages are paid for piece work (some factories have minimum wage but the others do not), and 3) although the factories are located in the township and most

workers are residents of the township, most factories have dormitories for the workers. Because of the long work hours and the poor transportation, many workers need to stay in the dormitory and go home only on the holiday, once a week or one to two times a month.

So, who are the migrant workers who returned to Z Township? Most of them are migrants who returned from Guangdong, particularly from the shoe factories in Houjie which were the main destination of Z Township's migrants. Since they were working in skilled positions in shoe or clothing factories, they have searched the same type of position in Z Township. So far, more than 90% of the returned migrants are women in their 30's and 40's. They are raising children or have elderly parents for whom they have to care, so they are forced to return even if they have no chance for a job there. It is not the case that the working conditions and the wage levels attract them to return. Their husbands are still working in Guangdong or Chengdu to earn enough money for their family.

So what causes the migrants to come home? As mentioned, the low wages and poor working conditions in Z Township's factories are not the reason they decide to come home. They have other non-economic reasons (mainly their children or parents) that cause them to decide to come home. The entrepreneurs in Z Township take advantage of their additional time gained from being close to their home and enjoy the cheap labor provided by them.

The u-turned laborers were migrants who had to travel far from their hometown to find job opportunities. Now they have the chance to work inside the township. This could be interpreted as a positive change for Z Township, but at the same time, this is negative evidence for Chinese social mobility. The workers need to come back to care for their children and parents, which indicates that they have difficulty moving their families close to their workplaces. Even skilled laborers or management

staff who had achieved a good job might be forced by this reality to return home.

## 6. Conclusion

Sichuan Province in southwestern China was a late-developing area, and it adopted a policy of regional development that relied on peasant emigration to the developed area of Guangdong. In the very beginning, emigration was an individual action, limited to a few local peasants who had their own connections to the outside world. In the case of Z Township which is the subject of this paper, the township government played a positive role in gathering job information, organizing peasants, and dispatching them to the work destination. These actions by the government are considered to be a complementary use of administrative resources in the market. So after the late 1990's when migrants themselves possessed adequate information, the government's support work disappeared gradually. In this paper, the process is explained as "bottom-up style development," which is common in China's local development.

A new occurrence in Z Township since 2005 is the emergence of small factories. This was spurred by changes in the macro economy and society, including the high cost of labor and materials in the coastal area and the difficulty of moving entire families to the work location, etc. Some local entrepreneurs who had previously been migrants in Guangdong took advantage of this and opened factories, which enabled local peasants to work in their own township. However, so far, most of the workers are women who had other reasons (such as taking care of family) to return. So, the factories in Z Township seem to be enjoying the advantage of cheap labor.

In terms of the social mobility of peasants, the initiation of the migration support policy was a positive change. The emergence of entrepreneurs in Z Township and the job opportunities these factories offer are positive aspects of marketization.

However, here we can also observe the negative aspects of “bottom-up” style development. Because this was essentially a market-driven development, the scope of policy is limited to the region, and so it cannot resolve the problems at the state level. The reason why the migrants to Guangdong were forced to return home and work for lower wages under worse conditions is the lack of a social system to guarantee immigrants the ability to live in cities. This is the issue which the central government should consider and for which it should take action.

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