

RETURNING MIGRANTS IN THE PEOPLE'S REPUBLIC OF CHINA

CHALLENGES AND PERSPECTIVES—EVIDENCE FROM CHONGQING

Gohar Tadevosyan, Shaojun Chen, and Rong Liu

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Returning Migrants in the People’s Republic of China: Challenges and Perspectives—*Evidence from Chongqing*

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CONTENTS

TABLES, FIGURES, AND BOXES	v
ACKNOWLEDGMENTS	vi
ABBREVIATIONS	vii
ABSTRACT	viii
I. INTRODUCTION	1
II. CONCEPTUAL FRAMEWORK	2
III. THE PEOPLE’S REPUBLIC OF CHINA’S MIGRATION TRENDS: MAGNITUDE AND NEW CHARACTERISTICS	4
A. Population Flow Trends in the PRC	4
IV. DEVELOPMENTS IN LABOR MIGRATION POLICIES	7
A. Managing Labor Migration	8
B. Promoting Return Migration	11
V. RETURNING MIGRANTS IN DIANJIANG COUNTY: EVIDENCE FROM THE FIELD	12
A. Background	12
B. Research Methods	15
C. Returning Migrants: Motivations, Assets, and Consequences of Return	16
D. Migrants’ Assets as Push-Pull Factors	20
E. Financial Capital	21
F. Human Capital	23
G. Social Capital	26
H. Family Relations	29
I. Social Security, Housing, and Infrastructure	31
J. Productive Assets Such as Land	33
VI. ADDRESSING POLICY GAPS TO SUPPORT RETURNING MIGRANTS	34
A. Offer Education and Skills Training	35
B. Facilitate Access to Finance	35
C. Provide Technical Guidance and Advice	36
D. Improve Information Sharing	37
E. Provide Access to Social Services	37
F. Promote Integrated Delivery of Enterprise Support Services	37
G. Establish a Database on Returning Labor Force	39

VII. CONCLUSIONS	39
APPENDIX	41
REFERENCES	45

TABLES, FIGURES, AND BOXES

TABLES

1	Regional Distribution and Cross-Province Flow of Migrant Workers in the PRC, 2010–2018	7
2	Outflow and Return of Migrant Workers in Dianjiang County, 2016–2017	14
3	Categories of Returning Migrants in Dianjiang County	18
4	Push-Pull Factors for Returning Migrants by Asset	20

FIGURES

1	Migrant Population and Urbanization in the PRC, 1982–2018	5
2	Growth Rate of National Migrant Workers in the PRC, 2010–2018	6
3	Dianjiang’s Location in Chongqing	13
4	Assets of Returning Migrants in Chongqing	17

BOXES

1	The <i>Hukou</i> Household Registration System in the PRC	8
2	The Cost of Migration for Left-Behind Families	30
3	Vocational Skills and Start-up Training for Returning Migrants in the PRC	36
4	Integrated Service for Returning Migrants: Chongqing Innovation and Human Capital Development Project	38

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ABBREVIATIONS

ADB	Asian Development Bank
CMG	Chongqing Municipal Government
DDRC	Dianjiang County Development and Reform Committee
DHRSSB	Dianjiang County Human Resources and Social Security Bureau
FGD	focus group discussion
GDP	gross domestic product
NBS	National Bureau of Statistics
PRC	People's Republic of China

ABSTRACT

In the last 5 years, labor migration in the People's Republic of China has shown signs of decline.

The ongoing economic transformation and rural revitalization in less developed western and central areas have prompted a wave of return migration that is likely to intensify in the years to come.

Drawing on primary qualitative research in Dianjiang County of Chongqing Municipality, this working paper examines the push and pull factors that shape return migration. These factors are associated with the availability of assets both in migration destinations and back at home that the migrants can draw upon to support their livelihoods. These assets comprise financial, human, and social capital; family relations; access to social security, housing, and infrastructure; and productive assets such as land.

A major push factor is both the lack and availability of financial, human, and social capital. Low stocks of these assets produce extreme vulnerability to life cycle risks and economic volatility and prompt migrants to return. Conversely, a higher level of these assets translates into better employment and economic prospects in home counties.

The decision to return is also influenced by pull factors, such as the improved economic development and employment opportunities in their home places, availability of social security coverage, more affordable housing and better living conditions, the prospect of family reunion, and presence of strong family and communal networks and support.

It is important to design and implement policies to help the return migrants effectively address their economic and social needs, realize their potentials, and contribute to local development.

Governments at all levels need to promote education and skills training; access to affordable finance; employment and entrepreneurship guidance and advice; information sharing; and integrated delivery of support services. These policy areas present relevant opportunities for multilateral financing to invest in human capital development and contribute to the attainment of Sustainable Development Goals (SDGs) on poverty (SDG 1), quality education (SDG 4), and decent work and economic growth (SDG 8).

I. INTRODUCTION

1. The rapid urbanization in the People's Republic of China (PRC) since the 1980s has led to a massive rural–urban population flow for better life chances and reducing family poverty. The number of the migrant population had been increasing dramatically and steadily for over 30 years before it saw some decline after 2015.¹ It is generally believed that the economic disparities between the east and west (the rural and urban), provided the incentive for this rural–urban migration which has made a significant contribution to reducing rural poverty in the PRC.²

2. The major type of migration happening today is internal temporary labor migration in which workers leave their homes for a period of time to work as mostly low-skilled wage laborers. A temporary labor migration usually happens when economic opportunities in the place of origin are limited while opportunities in the destination are also temporary due to limited market demand and/or the lack of an enabling environment for permanent residency. Given the size of the Chinese population, flows of rural migrants to cities are taking place on a massive scale.³

3. Currently, the total number of migrant workers has reached 286.52 million, including 137.10 million migrants residing in different types of urban destinations.⁴ Women make up about one-third of the migrant population. The scale of the PRC's migrant population has undergone a change from rapid growth to stable. In fact, since 2015, a downward trend is observable both in rural–urban migration and in movement to the eastern or coastal cities where manufacturing and services are better developed. More and more people prefer to return to (or go to) the smaller cities, towns, or even villages in the less developed central or western cities in search of personal fulfillment and economic benefits.

4. A number of factors contribute to return migration. On the one hand, the last decade has witnessed a substantial rise in the social and economic cost of migration. The overall economic environment has worsened with turbulent economic transformation and economic restructuring in the PRC, intensifying international trade conflicts, unbalanced development that is becoming unsustainable, and traditional labor-intensive enterprises experiencing difficulties. As employment pressures and living costs have increased dramatically, more and more migrant workers choose to return to their hometowns. The technical requirements for labor workers are becoming demanding so that some rural migrants cannot meet the requirements.

5. On the other hand, the ongoing economic changes in the home counties have a strong appeal. The government's adjustment of its policies and strategies in promoting the development of the west, such as the Western Development Scheme, the Rural Revitalization Program, and support to returning migrant workers to start their own business have provided more job opportunities in the central and western regions. These opportunities offer a chance for many migrants to support their livelihoods at home and reunite with their families.

¹ The National Bureau of Statistics of the PRC (NBS) defines migrant population as those who have left the place of household registration for half a year or more, excluding those migrating within a county or a city. Government of the PRC, NBS. 2018. *China Statistical Yearbook 2018*. Beijing.

² Ravallion, M. and S. Chen. 2007. China's (uneven) Progress Against Poverty. *Journal of Development Economics*. No. 82. pp. 1–42.

³ Demurger, S. and H. Xu. 2011 *Return Migrants: The Rise of New Entrepreneurs in Rural China*. https://www.gate.cnrs.fr/IMG/pdf/Demurger_Xu_WD_accept.pdf.

⁴ NBS defines migrant workers as “those whose *hukou* is in the rural area, have been engaged in non-agricultural industries locally or have gone out to work for 6 months or more.” Government of the PRC, NBS. 2019. *Migrant Workers' Monitoring and Survey Reports*. Beijing. http://www.stats.gov.cn/tjsj/zxfb/201904/t20190429_1662268.html.

6. Returning migrants can potentially become an engine for local development and rural revitalization as they invest in the local economy and contribute to its productivity and modernization. When migrants return to their place of origin, they facilitate investments of both financial capital through accumulated savings and human capital through their newly acquired skills and knowledge from migration work. Furthermore, returnees bring back new ideas, values, and norms that could potentially impact their social, economic, and political behavior. From this perspective, the returnees could potentially become a strong driving force for social and economic changes in their underdeveloped places of origin. However, in order to ensure that this will happen, there should be sound policy support and mechanisms on the ground to help the returnees reintegrate into the social and economic systems in their hometowns.

7. Drawing on the results of primary research on returning migrants in Dianjiang County of Chongqing Municipality, this paper examines the push and pull factors for returning migrants as well as challenges and opportunities for their reintegration and adaptation to their places of origin. The paper identifies policies that can help returning migrants effectively address their economic and social needs, realize their potential, and contribute to local development.

8. The study of return migration in the PRC's context is important for several reasons. First, it will help us to better understand the migration process itself, the reasons and decision making, as well as factors affecting that process. Second, it will also help us to better understand policy implications for supporting migrants' reintegration in the labor supply in the place of origin. There have been extensive studies on migration in the PRC, but the returning migrants have not yet received sufficient attention. There is currently limited evidence about the dynamics and outcomes of this migration.

9. This paper consists of two parts. The first part discusses the main trends and policy developments on labor migration in the PRC. It draws on a desk review of secondary sources on labor migration in the PRC, including statistical information, documents with national strategies and policies, and academic literature. The second part presents the case study of Dianjiang County based on qualitative research. The research used in-depth and key informant interviews with the returning migrants in Dianjiang County to solicit their views, perspectives, and individual experiences.

II. CONCEPTUAL FRAMEWORK

10. Migration has been systematically discussed in academic literature through a variety of perspectives, but migration—particularly the study of migration determinants—is often dominated by functionalist social theory that sees the society as a system comprising of different parts with a propensity toward equilibrium.⁵ This approach was initially articulated by neoclassical scholars who explained migration by geographical differences in the supply and demand for labor.⁶ For them, individuals were primarily utility-maximizing agents who make decisions to migrate after assessing the costs and benefits of migration.

⁵ de Haas, H. 2011. *The Determinants of International Migration: Conceptualising Policy, Origin and Destination Effects*. *IMI Working Papers Series*. No. 32. Oxford: International Migration Institute.

⁶ Todaro, M. 1969. A Model of Labor Migration and Urban Unemployment in Less-Developed Countries. *American Economic Review*. 59 (1). pp. 138–148.

11. This view is reflected in the “push-pull” model that is often used in literature as a lens for thinking about migration. The push-pull model looks at economic, demographic, environmental, and other factors that serve as constraints and opportunities in areas of origin and destination and that either augment or dwindle the motivation for migration.⁷ In its essence, this model reflects the neoclassical “equilibrium thinking,” which assumes that it is natural for people to move from low-income to high-income areas.⁸

12. Pluralist theories, such as the new economics of labor migration and sustainable livelihoods approaches, have challenged this approach for providing a mere list of contributing factors and failing to adequately explain the processes and determinants of migration, including return migration (footnote 4). This approach is also criticized for exclusively focusing on the individual and for overlooking the importance of collective decisions and particularly the role of households, family members, and social networks in driving migration decisions.⁹

13. A more nuanced livelihoods perspective treats migration as a household response to income risks.¹⁰ Decisions to migrate reflect collective choices to diversify risk and enhance opportunities to overcome constraints in the place of origin, diversify their income sources, and sustain and enhance their livelihoods. Thus, migration is a broader household livelihood strategy and it should be studied within the entire “portfolio” of household activities.¹¹ The focus on the household must not obscure intrahousehold age, gender, and other inequalities.¹² Thus, existing social and gender norms and expectations largely influence people’s decisions whether to migrate or not and how to allocate and manage family care tasks in the absence of migrated household members.¹³ Finally, migration analysis should consider the role of intermediaries, such as brokers and employment services and state policies that make moves possible.¹⁴

14. This paper uses the push-pull lens in conjunction with the livelihoods view to explore multiple factors that influence migrants’ decisions. The push-pull framework offers a convenient analytical tool for identifying factors that drive the migrants’ decision to return, including constraints (push) and prospective opportunities (pull). We, however, use the push-pull lens to capture the complexity of factors that influence people’s motivations and behaviors, instead of focusing solely on an individual’s assessment of external constraints and opportunities. We also emphasize the importance of social and familial ties and networks as key determinants of migration.

15. Migrants make decisions to move by assessing both the benefits and feasibility of migration in relation to their individual and household livelihoods assets, i.e., resources or capitals that can be converted into livelihood outcomes. Assets comprise the financial, human, social, natural, and physical capital of households and individuals.¹⁵ The asset portfolio includes (i) assets that people own such as existing family and social relations, education and skills, and savings; (ii) assets they can access and use when needed, such as financial services, agricultural inputs, public services, social safety nets, and

⁷ Originally articulated in Lee, E. 1966. A Theory of Migration. *Demography*. 3 (1). pp. 47–57.

⁸ Footnote 4 (page 8).

⁹ de Haas, H. 2010. Migration and Development: A Theoretical Perspective. *International Migration Review*. 44 (1). p. 231.

¹⁰ Stark, O. and D. Levhari. 1982. On Migration and Risk in LDCs. *Economic Development and Cultural Change*. 31 (1). pp. 191–196; and Lucas, R. and O. Stark. 1985. Motivations to Remit: Evidence from Botswana. *Journal of Political Economy*. 93. pp. 901–918.

¹¹ McDowell, C. and A. De Haan. 1997. Migration and Sustainable Livelihoods: A Critical Review of the Literature. *IDS Working Paper*. 65. Brighton: Institute of Development Studies; and O. Stark. 1991. *The Migration of Labor*. Cambridge, MA: Blackwell.

¹² Footnote 9 (p. 252).

¹³ Liu, J. 2014. Ageing, Migration and Familial Support in Rural China. *Geoforum*. No. 51. pp. 305–312; and J. Liu. 2016. Ageing in Rural China: Migration and Care Circulation. *Journal of Chinese Sociology*. 3 (9).

¹⁴ O’Reilly, K. 2015. Migration Theories: A Critical Overview. In A. Triandafyllidou, ed. *Routledge Handbook of Immigration and Refugee Studies*. Abingdon, Oxford: Routledge. pp. 25–33.

¹⁵ Moser, C. 1998. The Asset Vulnerability Framework: Reassessing Urban Poverty Reduction Strategies. *World Development*. 26 (1). pp. 1–19.

infrastructure; and (iii) assets they can accumulate and expand, such as knowledge and skills, money, and social networks.

16. The strength and combination of various assets determine poor people's livelihood outcomes and influence their decisions and behaviors. People maintain their livelihoods in a constant exposure to risks associated with job loss, reduction in income, rise in living costs, illness, and other economic and social risks; and the degree of their vulnerability to these events is determined by the extent to which people own and can mobilize sufficient assets.¹⁶ Evidence shows that low levels of assets and constraints on their effective use limit people's ability to cope with vulnerability and poverty.¹⁷ Conversely, high levels of asset ownership are directly correlated with better livelihood outcomes.

17. The relationship between assets and migration works on two levels. On one level, people make their decisions driven by the need to build and strengthen their assets to maximize their livelihood opportunities and outcomes. On another level, the existing asset portfolio determines their chances to succeed and this influences their migration decisions. Drawing on our research findings, Table 4 presents how the availability and strengths of migrants' assets served as a push and pull factor and translated into their decision to return.

18. The existing policy and institutional environment facilitates people's access to assets and the rate of asset accumulation and influences people's decisions. On one hand, the *hukou* household registration system often serves as a push factor as it restricts movement and access across a range of areas (health, labor, education, pensions). On hand, the new policies on rural revitalization and migrant return are interacting with this, making it attractive for migrants to return. Therefore, this study situates the results of the fieldwork in the broader context of state and provincial policies that influence the migration environment and livelihood opportunities of migrants. Understanding obstacles and opportunities to accessing and accumulating important livelihood assets upon return is also important for developing policy interventions to support returning migrants effectively.

III. THE PEOPLE'S REPUBLIC OF CHINA'S MIGRATION TRENDS: MAGNITUDE AND NEW CHARACTERISTICS

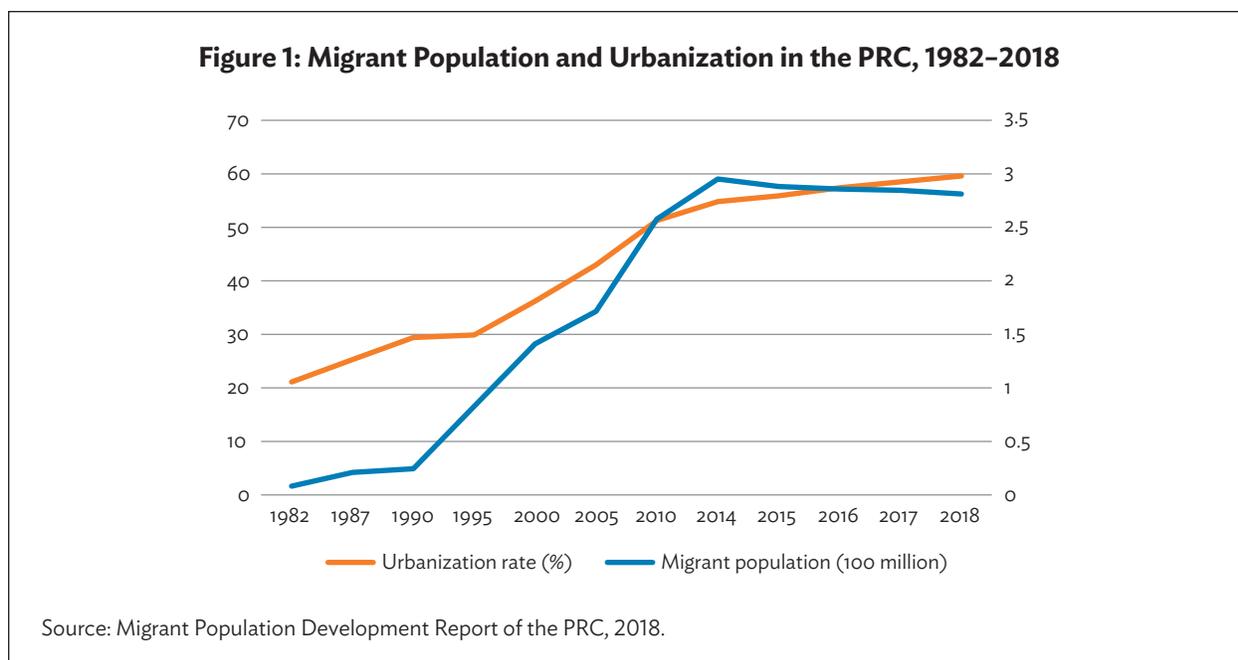
A. Population Flow Trends in the PRC

19. The PRC's migrant population movement (Figure 1) developed in three stages.¹⁸ During stage 1 (1980–1990), the rapid development of township enterprises and the change of the agricultural system prompted large numbers of surplus labor force to flow from rural to urban areas. In just 10 years, the PRC's rural–urban migrant population rose from 6.57 million to 21.35 million, with an annual average growth rate of about 7%.

¹⁶ Ellis, F. 2003. A Livelihoods Approach to Migration and Poverty Reduction. *The Journal of Development Studies*. 36 (paper Commissioned by the Department for International Development).

¹⁷ McKay, A. 2009. Assets and Chronic Poverty: Background Paper. *Chronic Poverty Research Center Working Paper*. No. 100. United Kingdom: University of Sussex.

¹⁸ Government of the PRC, National Health Commission. 2018. *Report on China's Migrant Population Development*. Beijing.



20. Stage 2 (1990–2010) witnessed dramatic increases in the number of migrant laborers as coastal cities developed with the increasing demand for laborers. Thus, the migrant population grew from 21.35 million to 221.43 million, with an annual average growth rate of about 12%.

21. In stage 3 (2010–2018), the average annual growth rate dropped to 2%. The migrant population peaked at 253 million in 2014, but began to decline in the next consecutive years and reached 241 million in 2018.¹⁹ The migrant population in the country in 2015 was about 6 million less than that in 2014. In 2016 and 2017, it was approximately 1 million less than that of the previous year.²⁰

22. This decline in the migrant population was partly driven by the new phenomenon of returning migrants, i.e., migrants going back to their home place due to new policies such as a rural revitalization strategy and better economic opportunities. Since 2015, more and more people have chosen to return to the cities in (or near) their hometowns. According to a survey for monitoring migrant population dynamics, out of all the surveyors aged 15 and above, returning migrants account for 12.1% in the PRC and 27.7% in the western areas.²¹

23. Return migration has always existed in the overall migration landscape in the PRC. In fact, rural–urban migration often has been seasonal (e.g., rural migrants may go to work in urban areas for the season when there is little agricultural labor demand) and circular (e.g., young migrants may move to an urban area and then return home when they marry).²² Although there is no systematic estimation of the actual number of return migrants, various estimations converge on approximately one-third of all migrants having returned to their home community by the end of the 1990s.²³ A research project led by the PRC Ministry of Agriculture from 1997 to 2001 indicated that returning migrants represented

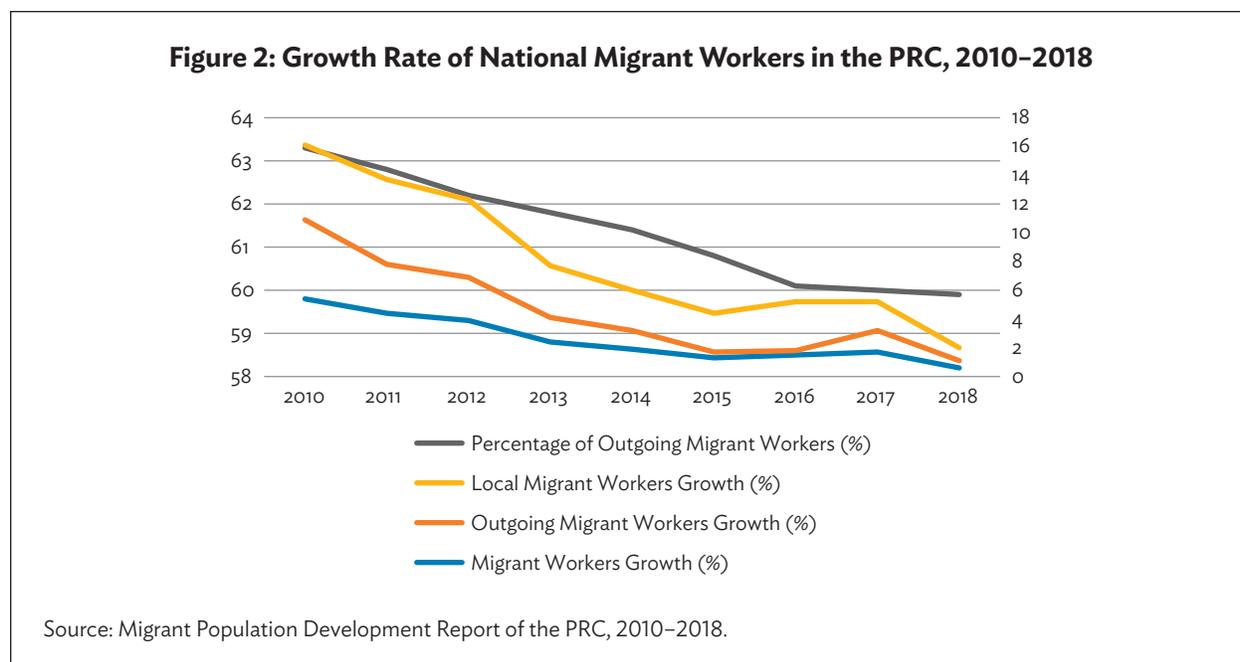
¹⁹ Government of the PRC, NBS. 2019. *Migrant Population Development Report of the PRC*. Beijing.

²⁰ Government of the PRC, NBS. 2018. *Migrant Population Development Report*. Beijing.

²¹ Government of the PRC, NBS. *Migrant Workers' Monitoring and Survey Reports*. Beijing (2015–2018).

²² Gourida, S. 2013. Chinese Contemporary Internal Migration: Trends and Challenges. *International Journal of Humanities and Social Science*. 3 (21). p. 241 (special issue, December 2013).

²³ Murphy, R. 2002. *How Migrant Labor is Changing Rural China*. Cambridge, NY: Cambridge University Press; and Zhao, Y. 2002. Causes and Consequences of Return Migration Decision in China. *China Economic Review*. 13 (2–3). pp. 213–230.



about 6.3% of the whole rural labor force and 28.5% of the total migrant population.²⁴ It also highlighted an increasing trend to return, especially after the mid-1990s. Unfortunately, there are only a few small surveys on returning migrants. These surveys lack “representativeness” and it is therefore difficult to rely only on these findings.

24. The trend to return has however, become more prominent and sustainable in the last decade and can be corroborated by the declining growth rate of migrant workers from 2010 to 2018 (Figure 2).²⁵ The growth rate of migrant workers gradually dropped year by year, from 5.5% in 2010 to 0.5% in 2018. The percentage of outgoing migrant workers dropped gradually from 63.3% in 2010 to 59.9% in 2018. Since 2010, the growth rate of outgoing migrant workers has been lower than that of local migrant workers.

25. An important indicator to show that more people prefer to work in the cities near their hometowns is the decreasing number of train passengers who go home to celebrate the Spring Festival, the most important occasion for a family reunion. Before and after each Spring Festival, a vast number of migrant workers would return home for a family reunion which made the travel routes busy and overcrowded. These travelers were often called the “Spring Festival Army.” In 2015, the number of travelers during the festival was less than 300 million for the first time. Moreover, in 2018, the year-to-year growth rate of the travelers became negative for the first time. This negative growth indicates that more migrant workers are working in (or near) their hometowns so that they do not need to travel by train.

26. The new trend for return migration needs to be viewed in the context of increasing attractiveness of central and western cities. The share of migrant workers flowing into eastern cities still exceeded that of those flowing into central and western areas. However, new trends have emerged in recent years.

²⁴ Gao, Q. and H. Jia. 2007. Analysis on the Causes and Impacts of Return Migrants. *Management of Agricultural Science and Technology*. 26 (4). pp. 66–68.

²⁵ Migrant workers in the PRC include local migrant workers and outgoing migrant workers. NBS defines local migrant workers as “those working within the township where the household registration is located,” and outgoing migrant workers as “those working outside the township where the household registration is located”. Government of the PRC, NBS. 2019. *Migrant Workers’ Monitoring and Survey Reports*. Beijing. http://www.stats.gov.cn/tjsj/zxfb/201904/t20190429_1662268.html.

There was a drop in the percentage of migrant workers in eastern areas, from 66.9% in 2010 to 59.4% in 2017 (Table 1). The percentage of migrant workers moving to the central and western cities grew significantly, partially due to their fast development promoted by provincial governments in recent years. The number of cross-province migrant workers declined in all three areas during this time.

Table 1: Regional Distribution and Cross-Province Flow of Migrant Workers in the PRC, 2010–2018

Region ^a	Percentage of migrant workers (output place) (%)		Percentage of migrant workers (input place) ^b (%)		Percentage of cross-province migration (%)	
	2010	2018	2010	2018	2010	2018
Eastern	43.2	36.1	66.9	54.8	19.7	17.2
Central	31.5	33.1	16.9	21.0	69.1	60.6
Western	25.3	27.5	15.9	20.8	56.9	49.6
Northeastern	-	3.4	-	3.1	-	26.4

^a In 2010 Migrant Workers' Monitoring and Survey Report, the eastern region includes Beijing, Tianjin, Hebei, Liaoning, Shanghai, Jiangsu, Zhejiang, Fujian, Shandong, Guangdong, and Hainan; the central region includes Shanxi, Jilin, Heilongjiang, Anhui, Jiangxi, Henan, Hubei, and Hunan; the western region includes Inner Mongolia Autonomous Region, Guangxi Zhuang Autonomous Region, Chongqing, Sichuan, Guizhou, Yunnan, Tibet Autonomous Region, Shaanxi, Gansu, Qinghai, Xinjiang Uyghur Autonomous Region, and Ningxia Hui Autonomous Region. Government of the PRC, NBS. 2011. *Migrant Workers' Monitoring and Survey Reports*. Beijing. http://www.stats.gov.cn/zjtj/ztfx/fxbg/201204/t20120427_16154.html; and in the 2017 report, Liaoning was removed from the eastern region, and Jilin and Heilongjiang from the central region. The three provinces belong to the northeastern region. Government of the PRC, NBS. 2017. *Migrant Workers' Monitoring and Survey Reports*. Beijing. http://www.stats.gov.cn/tjsj/zxfb/201804/t20180427_1596389.html.

^b Except flowing into the three or four regions, 0.3–0.4% of the migrant workers move to Hong Kong, China; Macau, China; Taipei, China; and foreign countries.

Source: Migrant Workers' Monitoring and Survey Report of the PRC, 2010 and 2017.

IV. DEVELOPMENTS IN LABOR MIGRATION POLICIES

27. State and provincial policies in the PRC have been instrumental in shaping the scale and pattern of labor migration. On one hand, they promoted migration, but also sought to restrict it through the *hukou* household registration system. While containing migration to some extent, the government's policies and particularly the *hukou* system have resulted in economic and social inequalities between migrants and urban residents. Rural migrants moving to cities have been institutionally excluded from health care, education services, social security, and housing benefits. This is because such entitlements have been linked to one's place of residence determined by the *hukou*.²⁶ These inequalities made migrants more vulnerable, their life in the city more challenging, and kept alive the appeal of returning home. In the last decade, return migration has been encouraged by rapid economic advancement in previously less developed central and western provinces coupled with proactive efforts by provincial governments to establish a favorable environment for returning migrants.

²⁶ Walker, W., M. Gupta, and D. Roberts. 2013. The Physical and Social Environment of the Chinese Urban Poor. In A. Ananta, A. Bauer, and M. Thant, eds. *The Environments of the Poor in Southeast Asia, East Asia and the Pacific*. Singapore: Institute of Southeast Asian Studies, ADB, and ADB Institute.

A. Managing Labor Migration

28. The shift from agriculture to industry in the PRC was facilitated by the transfer of labor from rural to urban areas by temporary migration.²⁷ Rural–urban labor migration started in the early 1980s when the PRC carried out its economic liberalization reforms. It was encouraged as an effective national strategy to transfer surplus rural labor force. During this time, the central government eased restrictions on the rural population to work and live in small and medium-sized cities so as to transfer surplus rural labor to urban areas.²⁸ In particular, it liberalized the *hukou* household registration system which for decades established a segregation between the rural and the urban residence and citizen entitlements (Box 1).

Box 1: The *Hukou* Household Registration System in the PRC

The household registration system, established in 1958, imposes that every Chinese citizen is registered according to their place of residence (rural *versus* urban) and occupation (agricultural *versus* nonagricultural). It is a “de facto internal passport system” that confers different legal rights to residents.^a In villages, residents are given rights to land for farming and housing while in cities, residents are given rights to a package of social benefits and access to urban jobs.

A person’s “citizenship” and residence (either rural or urban) relied initially on their mother’s citizenship and residence, i.e., if the mother had a rural identity, she had to live in rural areas and all her children were “rural” either by citizenship or by residence. In 1998, the PRC government issued a policy that *hukou* registration of newborn babies could follow either their mother or father’s citizenship on a voluntary basis.^b Changing one’s citizenship and residence was hardly possible. As an urban citizen, one could have access to permanent jobs, free housing, better schooling, and public health facilities in cities and food on ration, which a rural person could not have. Any rural person who wanted to move to cities had to obtain a permission and an “identification paper” from the local government office. Otherwise, he or she would be regarded as *mangliu* (vagrant).

Since the mid-1990s, the PRC has entered a stage of accelerated urbanization, with the urbanization rate of resident (non-*hukou*) population rising from 17.92% in 1978 to 53.7% in 2013. However, due to the *hukou* restrictions, the urbanization rate of the registered (*hukou*) population was only 35.7% in 2013.^c There is a clear and significant gap between the non-*hukou* population and urban *hukou* residents in terms of access to public services, employment quality, and housing conditions. Therefore, the main goal of the new round of *hukou* reform, which began in 2014, was to solve the problem of “urban citizenship” of more than 200 million migrant workers and to achieve a new, more “human-orientated” urbanization.^d

The New Urbanization Plan (2014–2020) envisaged that by 2020, the urbanization rate of registered population would increase to 45% and the rate of permanent population would reach

continued on next page

²⁷ McPhail, F. 2017. *Gender Equality and the Labor Market: Women, Work, and Migration in the People’s Republic of China*. Manila: ADB / International Labour Organization.

²⁸ According to “Notice on Adjusting the Category of City Size” (Guofa [2014] No. 51, 29 October 2014) published by the State Council, a small city has a permanent population of less than 500,000 in its urban areas (of which, Tier I with 200,000–500,000, and Tier II with less than 200,000 million), a medium-sized city has a permanent population of 500,000 to less than 1 million in its urban areas, a large-sized city has a permanent population of 1 million to 5 million in its urban areas (of which, Tier I with 3–5 million, and Tier II with 1–3 million), a megacity has a permanent population of 5 million to 10 million in its urban areas, and a super megacity has a permanent population of more than 10 million its urban area.

Box 1, continued

about 60% with the average annual growth rate of 1%, and 100 million migrant workers and other permanent urban residents should get city *hukou*. The State Council's "Opinions on Further Promotion of the Reform of Household Registration System," issued in July 2014, only required a full release of the *hukou* restriction in towns and county-level cities and orderly release of restrictions in cities with 0.5 million–1 million population, while megacities were required to strictly control the population size and retain certain thresholds for *hukou* registration. This initiative seeks to build a unified household registration system for both urban and rural population.

A circular "Promote the Settlement of 100 Million Non-*Hukou* Population in the City" issued by the State Office in September 2016 required that a points system of *hukou* registration not be allowed in the cities with no more than 3 million population, and also required to further relax restrictions and speed up the urbanization of the registered population in megacities and super megacities where the proportion of registered population is low. In April 2019, the National Development and Reform Commission issued a notice on the "Key Tasks of 2019 New Urbanization Construction." It proposed for the first time that large-sized cities of Tier II with resident population of 1 million to 3 million should completely cancel their household registration restrictions; that large-sized cities of Tier II with resident population of 3 million to 5 million relax their restrictions and eliminate restrictions on key groups;^e and that megacities with huge resident populations should adjust and improve their point-based household registration policies and increase the quota of point-based permanent household registrations.^f

In 2020, the reform of the *hukou* registration system was accelerated. Compared with the policy in 2019, in the key tasks of the new urbanization construction launched on 9 April, there were two big changes: One is to encourage Tier I large-sized cities with a population of 3 million to 5 million to completely remove *hukou* restrictions, and the other is to encourage megacities with a population of more than 5 million to remove *hukou* restrictions in its new suburban areas and new districts and promote the basic abolition of restrictions on key groups.

It is clear from these policy documents that there has been a tendency to liberalize *hukou* registration in large cities. At present, only a few megacities with a population of 5 million to 10 million and super-large megacities with resident population over 10 million still have restrictions on the *hukou* registration. The limited access of *hukou* households to public services and social welfare remains in these cities.

PRC = People's Republic of China.

^a Knight, J. and L. Song. 2005. *Towards a Labour Market in China*. New York: Oxford University Press. Policy performance, problems and measures.

^b Ministry of Public Security's Opinions on Resolving Several Prominent Problems in the Current Household Registration Administration (Guofa, 1998 No. 24), approved by the State Council on 22 July 1998.

^c Government of the PRC, National Bureau of Statistics.. 2014. *China Statistical Yearbook 2014*. Beijing.

^d Liu, J. 2018. Policy Effect, Problems and Resolution of New Round of Reform of Household Registration System. *Population and Society*. No. 7. pp. 89–98.

^e Key groups refer to the new generation of migrant workers who have a stable employment life in cities, agricultural migrants who have lived in cities for more than 5 years and migrated with their families, and rural students entering the cities when studying at universities or colleges or joining the army. Jinlei, L. 2019. NDRC Responds to Lifting Restrictions on Key Group Settlements: Including These Groups. China News Network. 10 April. <http://news.cctv.com/2019/04/10/ARTISPL8GCGaAzgJAFYyVojU190410.shtml>

^f NDRC. 2020. Key Tasks of New Urbanization Construction and Urban-Rural Integration Development https://www.ndrc.gov.cn/xxgk/zcfb/tz/202004/t20200409_1225431.html.

29. Indeed, the migrant population has significantly contributed to urban and industrial development by meeting the existing demand for cheap labor in fast-growing areas.²⁹ Moreover, it has helped reduce poverty in rural areas and urban–rural income gap in the PRC as remittances sent back home by migrants have become a potent source of rural income growth.³⁰ The outflow of people from rural areas helped reduce the conflict over scarce productive resources such as arable land and helped reduce environmental pressures. It also contributed to greater social, economic, scientific, technological, and cultural ties between the city and village.

30. Migration, however, also had an adverse effect on inflow areas. The population in receiving cities increased excessively and brought enormous pressure to resources such as housing, water supply, electricity and gas supply, and heating and transportation. Migration also increased the economic and social cost of urban development.

31. Central policymakers were alarmed by the inflow of a huge number of rural people at different areas of urban settlements. The initial response was to limit the migration process by reinforcing the *hukou* system. Specifically, those who did not carry official identification papers (Temporary Residence Permit) would be regarded as *mangliu* (vagrant) and sent back to their places of origin.

32. Along with economic benefits, migration has created new inequalities between the permanent urban citizens and the temporary migrant workers.³¹ The *hukou* system and the existing societal bias toward the rural population have produced a “dual society segmentation” that has labor market, social, and residential dimensions.³² Migrants experience disadvantages in the labor market compared to local workers in the city in terms of job stability, working conditions, income levels, and professional status.³³ Migrants have less protection with regard to labor rights and their interests (e.g., due to lack of written contracts), limited opportunities for vocational training, and inadequate access to social security.

33. The inferior position of these migrants in the labor market is not just caused by the differences in human capital, e.g., educational endowments and skills, but also by discrimination induced by differences in urban and rural identities. Migration has contributed to reducing urban–rural barriers and diminishing identity inequalities between the urban and rural populations. However, the urban–rural divide still exists and affects access to economic and social opportunities. The labor market disadvantage is compounded by the restrictions on migrants’ access to public services, including social security, health care, and children’s education. This has contributed to vulnerability of migrants and widened inequalities between urban residents and migrants.

34. Throughout the 1990s, the government no longer viewed migrants as a problem but rather saw them as the driving force for urbanization and industrialization. It recognized that urbanization cannot be achieved without policy reform. Policymakers came to view migration as something that needed to be encouraged and recognized that migrants’ needs and rights should be met and respected. Therefore, in 2002

²⁹ Kai, L. 2009. Migrant Labor, Occupational Transfer and Entrepreneurship. *The Journal of World Economy*. No. 6. pp. 77–87; and Vadean, F. and M. Piracha. 2009. Circular Migration or Permanent Return: What Determines Different Forms of Migration? *IZA Discussion Paper*. No. 4287.

³⁰ Ping, H. and Z. Shaohua. 2017. Migrant Workers’ Remittances and Rural Development in China. In J. DeWind and J. Holdaway, eds. *Migration and Development Within and Across Borders: Research and Policy Perspectives on Internal and International Migration*. Geneva: International Organization for Migration and Social Science Research Council. pp. 219–243. http://lastradainternational.org/lisidocs/846_Migration_Development_SSRC_IOM.pdf.

³¹ Chen, B., D. Liu, and M. Lu. 2018. City Size, Migration and Urban Inequality in China. *China Economic Review*. No. 51. pp. 42–58.

³² Lu, M. and Y. Xia. 2016. Migration in the People’s Republic of China. *ADB Working Paper Series*. No. 593. <https://www.adb.org/sites/default/files/publication/191876/adb-wp593.pdf>.

³³ Footnote 32 and S. Li. 2010. The Economic Situation of Rural Migrant Workers in China. *China Perspectives*. 2010 (4). pp. 4–15. <http://journals.openedition.org/chinaperspectives/5332>.

the State Council announced the four principles for a reformed approach to migrants: (i) fair treatment, (ii) reasonable guidance, (iii) improved management, and (iv) better services.³⁴ Since then, the government has taken measures to reform national policies, laws, and regulations to minimize the negative impact of migration and provide a better environment for the rural migrants to live and work in urban settings.

35. Among all the measures, reforming the *hukou* registration system has been the most crucial step. Identification cards replaced identification papers, which gave rural migrants more rights and freedom to move in different cities. The government improved the identification system by allowing rural migrants to buy apartments, participate in the social insurance scheme, and send their children to schools in cities.

36. In 2006, the State Council issued a Comprehensive Policy Statement on Migrants to facilitate rural–urban migration. The decree defined a broad set of reforms aimed at improving migrants' living and working conditions and promoting their legal and social rights.

37. To accelerate the permanent residence status of migrants and achieve the equalization of public services, the central government initiated in 2014 a new round of *hukou* reform. This measure seeks to improve migrants' access to public services but does not entirely eliminate the disparities between the rural and urban population caused by different *hukou* entitlements.

38. The scope of the *hukou* system needs to be further reformed across the PRC to allow equal treatment of migrants and inclusive access to quality social services and social security system, and finally to realize the free movement of labor.

B. Promoting Return Migration

39. The economic and social vulnerability of migrants coupled with ever-increasing living costs and employment pressures has been a key driving force for return migration. However, a particular impetus to return in the last decade has been provided by rapid economic development and a conducive policy environment. In recent years, the PRC has expended significant effort to intensify industrial and economic development in the central and western areas, address urban–rural inequality, and promote return migration. The increasing number of returning migrants in recent years partly resulted from this approach.

40. With the increase in the number of returning migrants since 2008, the central government has enacted a range of policies and services to support returning migrants. Most importantly, these are financial measures that support start-up businesses, such as making financial collateral requirements more flexible, strengthening financial support through governmental subsidies, and making it easier for returning migrants to borrow money from rural financial institutions. The government promotes favorable tax policies formulated through scientific tax tools to encourage start-up businesses. It offers business and skills training and entrepreneurship services for returning migrant workers and seeks to facilitate access to social insurance through additional fiscal inputs to enterprises.

41. In 2015, the central government issued a decree on *Supporting Migrant Workers and Other Personnel to Return to Their Home Places and Start Businesses* to initiate a 3-year action plan to encourage migrant workers to return home to start a business and to enhance local employment opportunities for migrant workers. It was followed by a series of measures to promote new job and entrepreneurship opportunities, such as introducing high-quality enterprises in less-developed regions, strengthening agricultural production, using collectively owned construction land to attract business and investment, and initiating pilot projects to help returning migrants to start-up businesses.

³⁴ P. Huang and S. Zhan. 2005. Internal Migration in China: Linking it to Development. In L. Frank and P.-D. Ilse, eds. *Migration, Development and Poverty Reduction in Asia* (pp. 65–84). Geneva, Switzerland: International Organization for Migration.

42. In 2016, the Ministry of Human Resources and Social Security of the PRC issued the *Notice on the Entrepreneurship Training Implementation of the Five-Year Action Plan (2016–2020) for the Return Migrant Workers and Other Persons* which provides several incentives, such as tailored entrepreneurship training, and funding support and capacity building. In 2018, the State Council of the PRC issued the *Opinions on Further Promoting Support for Migrant Workers and Others to Return*, which called for expanding the scope of venture subsidies, innovating financing models, and strengthening talent support.

43. The government has enacted a national rural revitalization strategy for 2018–2022 which seeks to modernize the rural economy, improve the urban–rural integration development, and address urban–rural inequalities.

44. Among various measures, it envisages policies and programs to enhance economic opportunities in rural areas. It acknowledges that the rural population does not have to migrate to far-off cities to seek job opportunities and should be given a choice to stay in villages. The decrease of migration, in turn, is likely to create favorable conditions for the implementation of the rural vitalization program. This is assumed to help address the “three stay-at-home”³⁵ problem, i.e., facilitate family reunification and prevent family separation.

V. RETURNING MIGRANTS IN DIANJIANG COUNTY: EVIDENCE FROM THE FIELD

A. Background

45. Chongqing Municipality is situated in the southwest of the PRC’s mainland and the upper reaches of the Yangtze River Economic Belt (YREB). With an area of about 82,400 square kilometers, Chongqing Municipality has jurisdiction over 38 districts and counties (26 urban districts, 8 counties, and 4 ethnic autonomous counties). In 2018, its resident population reached 31.02 million. It is one of the PRC’s old industrial bases and the experimental zone for urban–rural coordinated development. As such, Chongqing Municipality faces the arduous tasks of economic transformation and rural development through urbanization and industrialization.

46. Since the 1980s, Chongqing Municipality has been well-known as one of the main sources of labor migrants in the PRC. A large number of rural populations have left their home villages in Chongqing Municipality for employment in cities. From 2010 to 2012, the outflow of population to work and live outside the municipality increased from 5.25 million to 5.34 million. However, since 2014, this number has been gradually decreasing and reached 4.82 million in 2017. Meanwhile, the inflow of people with non-Chongqing *hukou* migrants to Chongqing Municipality increased annually from 1.04 million in 2010 to 1.68 million in 2017.³⁶ This reverse trend was possible due to several policies and strategies favorable for return.

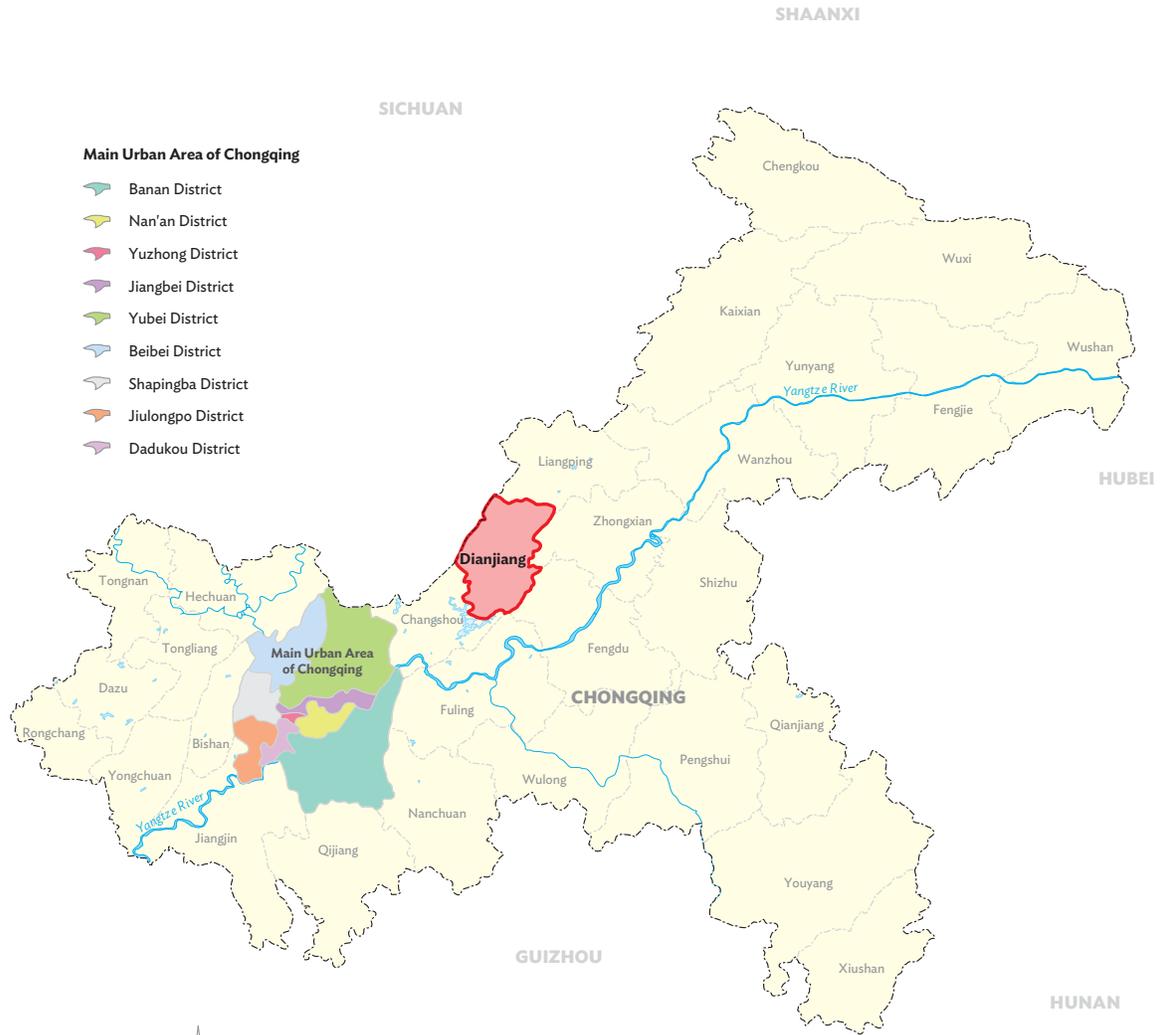
47. Dianjiang County is one of the 38 districts and counties under the administration of Chongqing Municipality. It is located in the northeast of the city, 120 kilometers from downtown Chongqing. With a total area of 1,518 square kilometers, it has 26 towns and/or subdistricts and 301 villages and/or communities (Figure 3). In 2017, it had a resident population of 69.06 million and registered population of 97.14 million.

³⁵ The “three stay-at-home” refers to stay-at-home children, stay-at-home women, and stay-at-home elders.

³⁶ Chongqing Municipal Bureau of Statistics. *Chongqing Statistical Yearbooks*. Chongqing (2011–2018).

Figure 3: Dianjiang's Location in Chongqing

LOCATION OF DIANJIANG IN CHONGQING
IN THE
PEOPLE'S REPUBLIC OF CHINA



This map was produced by the cartography unit of the Asian Development Bank. The boundaries, colors, denominations, and any other information shown on this map do not imply, on the part of the Asian Development Bank, any judgment on the legal status of any territory, or any endorsement or acceptance of such boundaries, colors, denominations, or information.

 River
 District/County Boundary
 Provincial/Municipal Boundary
 Boundaries are not necessarily authoritative.

48. Among the 38 districts and counties in Chongqing Municipality, Dianjiang County is comparatively underdeveloped. Its per capita gross domestic product (GDP) and other important economic indicators are lower than the national average and Chongqing Municipality's average (Appendix Table 2). This is largely due to its marginal geographic location in Chongqing Municipality. As a less economically developed area, Dianjiang County has had a high level of outer migration, as exemplified by Dianjiang County's ranking as the fifth of 38 districts and counties of Chongqing Municipality in terms of its net population outflow in 2015 and 2017.

49. The rapid economic development and implementation of the Rural Revitalization Program in Dianjiang County served as a key pull factor that encouraged these migrants to return. Dianjiang County was one of 10 pilot counties in Chongqing Municipality's program to encourage migrant workers to return to start-up a business.³⁷

50. These efforts encouraged some of the migrant workers to return to start their own businesses (Table 2).³⁸

51. As Table 2 shows, 27% of the returning migrants in Dianjiang County started their business in 2017, 21% higher than that of 2016. By 2017, a total of 21,789 companies or enterprises, including 1,105 enterprises and 20,684 self-employed businesses were founded by returning migrants, creating 45,043 jobs.³⁹ However, the share of Dianjiang County's outflowing migrant workers who found employment outside the county in 2017 was still at high 47% of the total rural labor force.

52. In terms of individual characteristics, the returning migrants in 2016 and 2017 had a low educational background (Table 2). Only 2% of them had education at college level or above.

53. This helps to explain why most of them could only take up simple but labor-intensive jobs with low pay, predominantly in the machine industry, manufacturing, and services. Nearly half of all returning migrants were aged 36–45 years and the majority of returning migrants were men.

Table 2: Outflow and Return of Migrant Workers in Dianjiang County, 2016–2017

Item	2016		2017	
	People (person)	Percent (%)	People (person)	Percent (%)
Rural labor force	459,134	-	459,176	-
Number of outgoing migrant workers employed	171,618	37	213,617	47
Where: Pearl River Delta	22,616	13	22,660	11
Yangtze River Delta	22,463	13	22,491	11
Beijing–Tianjin–Tangshan region	14,845	9	14,862	7
Other regions	111,694	65	153,604	72
Number of migrant workers returning home for start-up or employment	10,902	-	6,350	-

³⁷ Since March 2016, the PRC has implemented pilot projects to support migrant workers and other people to return to their hometowns to start businesses. So far, there are 341 pilot areas in the PRC, including 10 in Chongqing Municipality.

³⁸ Statistical data provided by the Employment Section of Dianjiang Human Resources and Social Security Bureau.

³⁹ Liu, Y. 2018. Migrant Workers in Dianjiang County Return to Their Hometown to Start a Business. *Dianjiang Daily*. 19 January. <https://cq.qq.com/a/20180119/013120.htm>.

Item		2016		2017		
		People (person)	Percent (%)	People (person)	Percent (%)	
Where: to start business		507	5	1,690	27	
for employment		10,396	95	4,657	73	
Classification of migrants returning home for employment	1) By gender	Male	6,697	64	2,845	61
		Female	3,698	36	1,812	39
	2) By age	16–35 years	2,510	24	1,525	33
		36–45 years	5,781	56	1,986	43
		46 years or above	2,104	20	1,146	25
	3) By educational level	Junior high school or below	8,256	79	2,675	57
		Senior high school or equivalent	1,942	19	1,902	41
		College or above	197	2	80	2
	4) By industry	IT	1,086	10	591	13
		Machinery manufacturing	6,902	66	2,384	51
		Service	2,089	20	1,536	33
		Other industries	318	3	146	3

Source: Employment Section of Dianjiang County Human Resources and Social Security Bureau.

B. Research Methods

54. This section draws on the findings of primary research of returning migrants in Dianjiang County. The research sought to identify the role of migrants' capabilities and resources, i.e., their assets in influencing their decisions to return as well as their ability to settle back and adapt to the life in their home places.

55. In addition, the research examined the effectiveness of government policies and programs in helping returning migrants to maintain, access, and accumulate important livelihoods assets in Dianjiang County.

56. The research relies on two focus group discussions (six to eight persons in each), in-depth interviews, and key informant interviews conducted in Dianjiang County in December 2018 and August 2019. In total, 18 in-depth interviews were conducted with returning migrants, including 10 men and 8 women (Appendix Table 3). They were working in Business Start-Up Parks or Dianjiang County Industrial Parks as employees or managers of e-commerce, small businesses, or enterprises.⁴⁰

57. The research participants varied by age (from 22 to 49 years of age) and educational levels (junior middle school and university graduates). Their out-migrant experience spans from 1 year to 16 years.

⁴⁰ E-commerce is a business model which uses the internet to trade products.

58. The selection of participants was done through mixed⁴¹ purposeful sampling⁴² allowing to identify people with different sociodemographic and socioeconomic characteristics, and various migration experiences in terms of employment and the length and outcomes of migration.

59. Through this approach, we were able to obtain information from different people who are likely to represent the returning migrant population in terms of its financial, human, social, and family capital as well as migration (and return migration) related experiences, processes, and outcomes.

60. In-depth interviews were also conducted with five key informants, i.e., government officials and managers of companies (or enterprises) who were knowledgeable about the local conditions that particularly affected the returning migrants.⁴³

61. The key informants include (i) two officials from the Employment Section, Entrepreneur Guidance Section of Dianjiang County Human Resources and Social Security Bureau (DHRSSB); (ii) one official from Dianjiang County Development and Reform Committee (DDRC); (iii) one director and one manager from Dianjiang County Business Start-Up Park for Return Migrants; and (iv) one director from Longqiao Business Start-Up Park for Return Migrants.

C. Returning Migrants: Motivations, Assets, and Consequences of Return

62. As the research shows, the migrants' motivation to return is a composite of push and pull factors. The push factors here refer to the economic and social difficulty of a migrant life in the city, which involves low pay, limited access to social services and social networks, and separation from family and friends back at home.

63. The pull factors are associated with the ambition to start a successful business activity back at home, establish family roots, or reunite with family and rejoin social networks. Migrants' decisions to return are triggered by improvements in economic conditions and the existing policies that offer more opportunities for realizing and enhancing their capabilities.

64. Studies indicate that the reasons for return migration in the PRC are different among men and women.

65. The prime motivation to return for men is associated with failing to make enough money, not being satisfied with a job, and having better opportunities at home (footnote 28). For women migrants, the top priority reasons for returning home are getting married and looking after their children as well as elderly family members. Such gender-specific variation is also valid for our study participants.

66. As our study shows, underlying these motivations is the strength of the migrants' assets, which also determines the consequences of their return. The assets of returning migrants in our study comprise human, financial, and social capital; family relations; access to public services; housing and infrastructure; and productive assets such as land (Figure 4).

⁴¹ This includes triangulation, typical cases, and maximum variation.

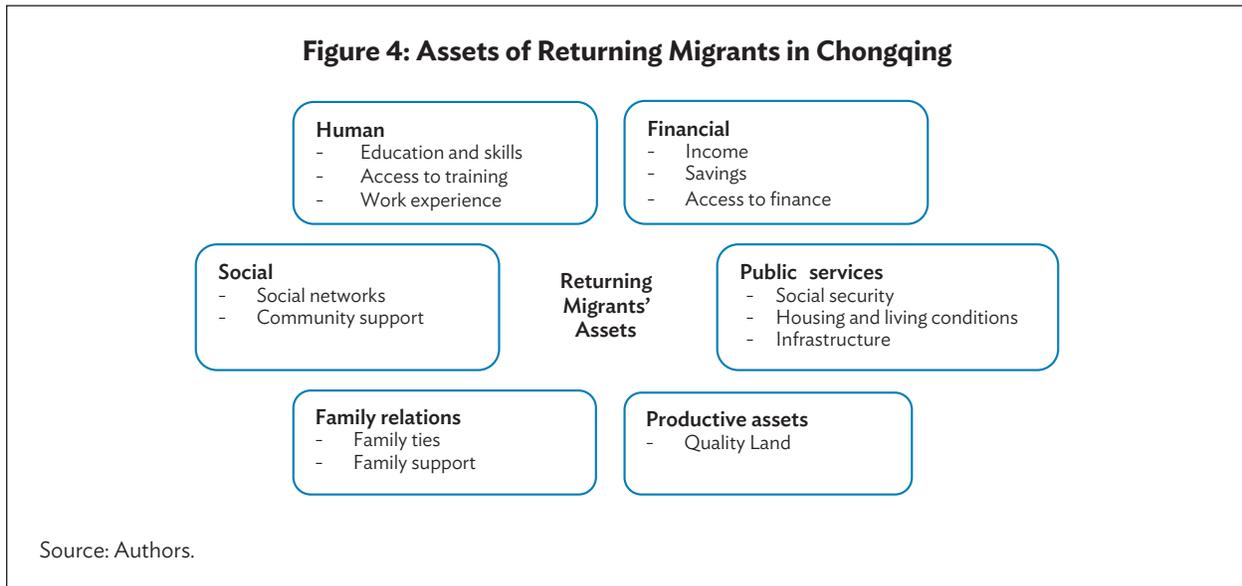
⁴² Purposeful sampling is a technique widely used in qualitative research for the identification and selection of information-rich cases for the most effective use of limited resources. Patton, M. 2002. *Qualitative Research and Evaluation Methods*. Thousand Oaks, CA: 3rd Sage Publications.

⁴³ These are people, who as a result of their personal skills or position within a society, are able to provide more information and a deeper insight about the research topic.

67. Availability of sufficient assets helped them reduce and manage their vulnerability when dealing with livelihood shocks and determined their decisions to migrate and return; it influenced the returning migrants’ socioeconomic situations after returning home and the challenges in reintegration and adaptation, and the role of returning migrants in local development.

68. Thus financial, human, and social capital accumulated in the city support migrants in their move and contribute to their success in achieving their goals.

69. Conversely, low stocks of any of these assets make the migrants’ lives difficult and push them to move out of the cities. Limited assets, however, make it difficult for them to substantially improve their livelihoods.



70. Drawing on the research findings in Dianjiang County, we were able to identify three categories of migrants who differ in their asset levels, motivations, and consequences of return (Table 3).

71. This section briefly reviews these distinctions, while the next section discusses the role of assets as push and pull factors for returning migrants.

72. When discussing labor migration in the PRC, one needs to distinguish between the first-generation migrants, i.e., those who were born before 1980, and second generation migrants, who were born after 1980.

73. For the first generation, the main reason to migrate was to “earn money” (Participants A, B, and J) to support their impoverished family. The decision to migrate was always made by the family as a whole and migrants usually followed their relatives or fellow country people who had already settled in the city. Most of their earnings were sent back home to support their extended families. Participant B said, “In the early 1990s, when I got a salary of 300 yuan every month, the first thing to do was to send 250 yuan (more than 80%) to my parents and younger brother.” Compared with the second generation migrants, they were more diligent and hardworking and agreed to take on even the most difficult jobs. Their lifestyle in big cities was almost the same as that of traditional farmers and was more isolated from urban life.

74. Unlike their parents who migrated to bigger cities to earn money to lift their families out of poverty, the younger, second generation migrants are often driven by personal goals. Soon after they graduate from middle schools or colleges, they want to move to the city to fulfill their individual aspirations,

including “gain more experience” (Participants M, N, and P); to “have a better life” (Participant I); “see the bigger and wonderful world” (Participants C, D, E, F, and P); and “widen my vision” (Participant N).

75. Earning money is important but is often secondary to other goals, as exemplified in this quote from Participant C: “I wanted to go out and see the world outside first, and later wanted to earn more money after I have a baby.” Although some young people may discuss their decisions with their parents, most of them make their own decision under the influence of mass media or friends and classmates.

76. The first category refers to migrants of both generations who have an ambition to return in order to engage in entrepreneurship. As suggested by the official from the Entrepreneur Guidance Section of DHRSSB (Participant T), the return migrants of the first generation usually started their business in the manufacturing industry.

77. Among the first generation are migrants who have spent at least 10 years in the city and made significant achievements and have become leaders of factory workshops and even factory directors, and some have become technical experts in the factories. They have accumulated a certain amount of human, financial, and social capital and return to their hometown to take advantage of new economic opportunities and start their own business activities.

78. Similarly, some second generation migrants are attracted by the new economic opportunities in their hometown. The internet and advanced technologies enable them to access various resources and information, which makes their ideas more up to date and implementable. Especially with the universal popularization of innovation and entrepreneurship, many of them are no longer willing to work like the older generation. They are more willing to initiate their own business activities.

79. According to Participant T, some of them succeed in setting up businesses in e-commerce or get involved in agriculture industry. However, for the majority of second generation return migrants, this proved challenging due to lack of access to financial capital and their limited knowledge, skills, and managerial experience.

Table 3: Categories of Returning Migrants in Dianjiang County

Categories	Years of migration	Assets and motivation	Consequence of returning
First Generation Migrants			
Return for entrepreneurship	10–20 years	Accumulated sufficient human, financial, and social capital in the city Wish to take advantage of new business opportunities in their hometown	Making an investment (e.g., housing, private business usually in the manufacturing industry) Improving social status Strengthening social ties
Return for family reunification	10–20 years	Some skills and work experience Limited financial and social capital Reunite with family Wish to take responsibility for children’s education	Difficulty in setting up a business or finding a full-time job Doing part-time job while farming
Return due to difficulty to adjust	5–10 years	Limited skills and experience No social and financial capital Strong ties with hometown Unable to tackle challenges in the city	No change in status Difficulty to find a job

Categories	Years of migration	Assets and motivation	Consequence of returning
Second Generation Migrants			
Return for entrepreneurship	1-10 years	Some skills and work experience No financial capital Individual self-advancement and prosperity Motivated by more opportunities of their hometown with better infrastructure and economic development and the responsibility of taking care of their family (mostly men)	Starting a business is difficult, but some succeed, e.g., in e-commerce
Return for marriage or family reunification	1-10 years	Some skills and work experience No financial capital Return for marriage (specifically women) Reunite with family (both women and men)	Successful in finding wage employment Some (particularly men) hope to start a business, but are often unsuccessful Some may migrate again
Return due to difficulty to adjust	Less than 5 years	Limited skills and experience No social and financial capital Poor adaptability Challenge of coping with city life Wish to take advantage of new job opportunities in their hometown	No improvement in livelihoods Difficulty to find a job and reluctance to do farming

Source: Authors.

80. The second category comprises migrants of both generations who return to reunite with their spouses, children, and elderly parents or to get married. The first generation migrants in this category are those aged around 40 and above who only achieved modest economic prosperity and seek to return to their hometowns to reunite with their families. They are less educated and skilled than migrants of their generation in the first group and do not have any ambitious plans with regard to starting up a business or making investments. As a rule, they make do with part-time jobs and farming in order to pay for their children's education and old-age medical care insurance.

81. Second generation migrants who have gained some experience in the city are often eager to return home to start a new family or reunite with existing family. Second generation female migrants tend to return home to get married, as for example Participants E and F.

82. This reflects the gender pattern of migration in the PRC observed in other studies.⁴⁴ Thus, female migrant workers often stay in the city for a relatively short period of time, after the end) of compulsory education, and return to the countryside once they get married while their husband may continue to work as a migrant.

83. Upon their return, second generation migrants in this category manage to find a job but their attempts to start a business are often unsuccessful due to the lack of financial capital. Some are likely to migrate again after encountering difficulties in finding a job that matches their initial expectations.

84. The third category includes those migrants who were unable to adjust to living and working in the city. First generation migrants often spent from 5 years to 10 years in the city but did not make noticeable

⁴⁴ ADB. 2008. *People's Republic of China: Urban Poverty Strategy II*. Consultant's report. Manila (TA 4694-PRC); and ADB. 2015. *Female Labor Force Participation in Asia: China Country Study*. Manila.

economic gains, neither did they develop social networks. They return to their hometown as a way of leaving behind the challenges of migrant life but find it difficult to find employment back at home due to their low educational and skills levels, especially those above 50 years of age.

85. Similarly, second generation migrants often do not succeed in the city due to lack of necessary skills, abilities, and social networks. Most of them can only work as manual workers, low-technology operators, and service providers. They tend to work for long hours each day with low income and see no hope of a promotion in the company. Due to increasing living costs, they cannot afford to buy or even rent an apartment and access quality services. They know that once they get married, they will have to think of buying apartments, look after children and elderly parents, as well as pay for children's education, medical care, and other social services. Their aspiration to live in a big city often translates into an enormous pressure that compels them to return home. Upon return, they find it difficult to find a job as they have limited skills and social capital, but they also often refuse to engage in agricultural activities.

D. Migrants' Assets as Push-Pull Factors

86. The interplay between different push and pull factors influence the migrants' decisions to return, as summarized in Table 4. These factors are associated with the availability of assets both in migration destinations and back at home that the migrants can draw upon to support their livelihoods. These assets comprise financial, human, and social capital; family relations; access to social security; housing and infrastructure; and productive assets such as land.

Table 4: Push-Pull Factors for Returning Migrants by Asset

Assets	Push Factors	Pull Factors
Financial capital	<ul style="list-style-type: none"> • Low income • Ever-increasing living cost in cities, including for housing and transportation 	<ul style="list-style-type: none"> • Improvement of local economic situation and employment opportunities • Relative low cost of living
Human capital	<ul style="list-style-type: none"> • The challenge of living and working in the city • Disadvantage in urban labor market • Limited career development due to lack of skills training in cities • Low level of education and older age • Accumulated work experience as an incentive to start business at home 	<ul style="list-style-type: none"> • Economic development and implementation of the Rural Revitalization Program provides opportunities for employment and entrepreneurship at home
Social capital	<ul style="list-style-type: none"> • Exclusion from social networks, activities and services in cities • Limited interactions with urban neighbors and residents • Lack of social support in cities 	<ul style="list-style-type: none"> • Strong family and community networks • Social identity and belonging • Economic, practical, and emotional support from family and community
Family relations	<ul style="list-style-type: none"> • High cost of family separation and sense of familial duty • Isolation of urban life 	<ul style="list-style-type: none"> • Strong family bonds and interdependence • Economic, practical, and emotional support from family and community
Social security, housing, and infrastructure	<ul style="list-style-type: none"> • Low/absence of social insurance coverage, unequal access to public services • High cost of house purchase • Inadequate living conditions 	<ul style="list-style-type: none"> • Social security coverage • Affordable housing at home • Improvements in transport infrastructure at home
Productive assets, such as land	<ul style="list-style-type: none"> • Lack of productive assets and economic insecurity 	<ul style="list-style-type: none"> • Land as a key productive asset and social safety net

Source: Authors.

E. Financial Capital

87. The key driving force behind labor migration of our study participants was the desire to earn sufficient income for themselves and their families.

88. Depending on their individual circumstances, the participants had some other expectations from moving to the city, such as to gain more experience, to learn technical skills, to find better life chances, to expand social networks, and “to see a bigger world.” However, the need “to earn more money for my family” (Participants A, B, G, H, I, J, K, L, O, Q, and R) was the initial and most decisive factor for most of them. As Participant B said: “My family was very poor at that time, and I was eager to earn money, that was the main reason for me to migrate; during the first several years in migration, once I got the salary, the first thing I did was to send over 80% of my salary to my parents for the education of my younger brother and their daily expenses.”

89. The majority of participants in the focus group discussion (FGD) agreed that “making more money and having more choices in bigger cities” were the main driving force for migrating out.

90. Financial capital serves as a substantial push factor not only in driving migration but also in reversing it. Financial capital is a key prerequisite to migrant workers' ability to survive and thrive in the city. Adequate income is not only necessary to improve their living standards but also their social status and smooth integration into urban life. As our fieldwork revealed, the difficulty to earn sufficient income coupled with the pressure of high living costs in big cities compel many migrants to return.

91. Migrants' income in the PRC primarily depends on the level of their skills and education and skilled migrants tend to be financially better off. Most migrants, however, experience disadvantage in the labor market compared to local workers in terms of the levels of pay, job stability, working conditions, and other aspects. There is a significant wage difference between local urban workers and migrant workers in low-income jobs during the initial period of the migration and the wage assimilation cannot be realized by extending the migration time.⁴⁵

92. Women typically migrate to lower-quality jobs with lower pay and tend to face discrimination in the workforce (footnote 28). The difficulty to secure better jobs has to do with limited education and skills of female migrants. Thus, within the migrant population, women form the majority at lower levels of (migrant) education, and men form the majority at higher levels of (migrant) education. What is also notable, often migrants have lower educational qualifications than non-migrant women in the destination population (footnote 44).

93. The employment environment in cities has become especially volatile and it is becoming more difficult to find a job with a decent salary. The downward pressure of the economy and the transfer of manufacturing industries from eastern to western areas of the PRC as well as to Southeast Asia has deteriorated the employment situation, especially in manufacturing and construction sectors where the majority of migrants are working.⁴⁶

⁴⁵ Wei, L. and Y. Mo. 2016. Does migration time help migrant workers integrate? — Dynamic analysis on the migration and wage assimilation. *Research on Financial Issues*. No. 10. pp. 101–109.

⁴⁶ Xiuzhu, S. 2013. Factors of Migrants Return and Their Reemployment in China. *Reform and Strategy*. 29 (7). pp. 71–73; and Xin, L. S. Tian, and Z. Yuan. 2017. Population Inflow and Outflow: New Opportunities of Empty City Cluster. *Comparative Economic and Social Systems*. No. 4. pp. 10–20.

94. As corroborated by eight participants, migrant workers in bigger cities experience enormous pressure due to difficulty in finding a job with a good salary: “big life pressure in Guangzhou” (Participant K); “difficult to find a good job in big cities and salary is low” (Participant M). Participants O and Q changed different jobs, working as delivery men, salesmen, construction workers, and factory workers. Some participants (Participants C, D, E, F, H, and L) suggested they did not earn as much money as they had initially expected. As Participant H said: “The reality was not as I expected before migration”; and Participant L said, “My expectation was not realized.”

95. In recent years, the economic situation of migrants especially of those with low skills and low income, has worsened due to the steep rise in living costs. In fact, since 2014, urban living costs have continued to rise faster than those in rural areas. The difference between urban and rural consumer price index growth has been up to an average of 0.2%. As the cost of living in cities is rising, migrants are compelled to spend a large share of their income on their basic living expenses such as housing rent, food, transportation, and others. Ten out of 18 participants emphasized the sharp increase in the living costs in big cities. As Participant N said: “I think big cities like Guangzhou, Shanghai, even Chongqing are much better developed than Dianjiang in terms of infrastructure, social services, and living environment as a whole. But life is very expensive in these cities.” Participant P said: “Bigger cities are better developed but housing and living costs are much higher than those in Dianjiang. If one can find a good job with high salary in big cities, that is fine. If not, life is difficult. I prefer to stay in Dianjiang if I can continue with this job, even though my salary is lower. I stay with my parents so I can save even more money here.” Participant O said: “I have lived in several cities. They all have better development than Dianjiang. But I do not think those have anything to do with me [I could benefit from their development]. You know, we could only rent cheaper rural houses outside the city ring.”

96. The income growth rate of migrant workers in 2018 was only about 6.8%, while the average rent cost in first-tier cities rose by more than 20%, and rents in second-tier cities rose more than double.⁴⁷ The participants suggested that housing rent has become particularly expensive and the cost of housing makes up at least half of the total living costs. For example, Participant O said: “The salary was good, but you had to rent rooms, and living expenses were higher than before. So, at the end of the month, you found you did not have much money left.” Also, during the Spring Festival, they need to pay a lot for transportation to come back for a family reunion. Participant C went to Dongguan City in 2008 after graduating from college and got married there. In 2013, she went back to Dianjiang County to deliver her baby but returned to Dongguan to continue her migrant labor. She and her husband were compelled to leave their baby behind since they could not afford taking him with them: “We missed him very much. But due to high expenses of transportation, we could only return home 1–2 times every year.” Most of the FGD participants, regardless of their sociodemographic status and length of migration mentioned that the cost of living in big cities is high due to high rentals. For example, according to an FGD participant: “If you rent an apartment close to the factory, the price is high; if you rent a cheap one, the conditions are poor or the apartment is far away. Some employers provide dormitories, but the conditions are very poor.”

97. Against this backdrop, the low living costs and economic improvements in their places of origin work as strong pull factors motivating migrants to return.

98. The gap between the income growth rate of those who are working in other provinces and those who are working in cities of their home places is narrowed taking into account high living costs of cities.

⁴⁷ Government of the PRC, NBS. 2019. *Migrant Workers’ Monitoring and Survey Reports 2018*. Beijing. http://www.stats.gov.cn/tjsj/zxfb/201904/t20190429_1662268.html.

99. Many migrants no longer feel they are better off, even though their earnings in the city are greater than they would have been in their hometowns. Thus, with the economic development in Dianjiang County, the actual income gap between those who are working in other bigger cities and those who are working in Dianjiang County is narrowing. The living costs in Dianjiang County are much lower than those in big cities. As Participant K said: "After returned, I feel the quality of my life has improved. I have less pressure. Living expenses here are much lower, such as housing price and daily expenses."

100. The Dianjiang government has provided a series of preferential policies to create an enabling environment and to encourage migrant workers to return for entrepreneurship and employment. All the participants mentioned that if there are more job opportunities in Dianjiang County, then they would prefer to come back to work there so that they could look after their children and elderly parents.

101. All participants noted that a key factor affecting their decision to return was a better transportation system in Chongqing Municipality and significant economic development in Dianjiang County.

102. Access to financial capital is essential for enabling returning migrants to undertake business activities at home. As discussed in the next section, our research found that a small group of first generation migrants who have accumulated sufficient technical skills and financial capital in the city were most successful in undertaking business activities upon their return. Most returning migrants, however, find it challenging to access necessary amounts of capital to start their businesses.

103. At present, returning migrants have three options for financing their entrepreneurial activities. One is private savings, the second is the support of parents or relatives, and the third is commercial financing. The first two sources provide only limited support.

104. The local governments have financial support schemes for migrant workers to start-up business, such as guarantee loan and loan interest subsidy. It is, however, difficult to receive a loan or loan interest subsidy from the government because of cumbersome application procedures and high personal contribution thresholds. Relevant government departments jointly conduct a comprehensive examination of the applicant's identity, entrepreneurial ability, project prospects, finances, and whether the entrepreneurial project meets the development requirements of local industries.

105. This process is time-consuming and demanding. The applicants themselves are required to contribute at least 50% of the loan's overall amount. Most returning migrants have only limited savings and cannot afford such contribution.

F. Human Capital

106. Migrants' education and technical skills significantly influence their decision whether to stay in the city or to return home. The level of human capital directly determines the availability and types of employment opportunities of migrant workers in cities. Higher stocks of human capital enhance migrants' ability to gain employment and access better paying jobs, thus influencing their willingness to stay in the city. A higher education level also facilitates the ability of migrants to adapt to a new environment via learning a new language or discipline, communication and collaboration with others, and to compete in the labor market.

107. Evidence suggests that better education helps migrants overcome conceptual differences and structural and institutional constraints,⁴⁸ to improve social capital,⁴⁹ and promote social integration.⁵⁰

108. The 2016–2018 statistics from DHRSSB showed that compared with migrants with a college education and above in 2016–2017, the probability of the less educated returning is higher.

109. Low-skilled migrants of both first and second generations have more difficulties in finding a job with higher income and promising career development. They are also more vulnerable to economic downturn and industrial upgrading, thus more likely to return home. On the contrary, workers with a higher education can work and live in cities with comparatively higher competitiveness and therefore have a lower willingness to migrate back.

110. Migrant workers in the PRC have limited opportunities to receive additional skills training and improve their qualifications. Formal education, skills training, and work experience are essential for migrants to accumulate human capital. Training is an important investment in human capital development, and is crucial for helping people acquire or improve skills to match the labor market demands and obtain better quality jobs with higher pay. The limited avenues for enhancing knowledge and skills make it difficult for migrants to access higher paying jobs and enhance their livelihoods.

111. As our research findings showed, limited human capital assets were a key push factor that prompted return migration in Dianjiang County. The education level of seven participants (four from first generation migrants and three from second generation migrants) in our study was below senior middle school and they all had poorly paid jobs in construction, electronics manufacturing, and garment manufacturing. Four of them mentioned the difficulties in finding a job in the city due to their limited skills. They believe their major challenges in finding a good job were limited work experience and difficulty to enhance their skills. Participant J mentioned that he “could not find a better-paid, high position job” because he “did not have technical skills.” Participant L said: “The most challenging part of my migration experience was to enhance my own abilities. It was difficult to do that. I just felt that it was hard for me to integrate into the local life there [in the city].”

112. The participants had limited access to advanced skills training in the cities, except some on-the-job low skills training carried out by enterprises, which only helped with their initial job conversion (e.g., from agriculture to nonfarm) or to get basic knowledge.

113. The trainings provided by enterprises such as pre-employment training, occupational safety training, and quality test training, were not sufficient to enhance their skills to qualify for better jobs. All participants in our study mentioned that they did not receive the training that the county government offers to equip outgoing migrants with better skills and help them access skilled jobs in the city.

114. More than half of participants did not know where to get information about opportunities for skills training. Some participants were aware that training opportunities exist but did not have any more specific information about these opportunities. Participant B mentioned that “I know little about the training, but my husband knows more about them.” Participant O said that “I heard about it, but not know precisely what the policies include and what kind of training are there.”

⁴⁸ Dustman, C. B. Samuel, and F. Riccardo. 1996. Return Migration: The European Experience. *Economic Policy*. No. 11. pp. 213–250.

⁴⁹ Peng, D. et. al. 2005. Employment, Right Protection and Social Integration of Those Migrants in Beijing. *Population Research*. No. 4. pp. 53–61.

⁵⁰ Lei, Z. and W. Guixin. 2008. Research on Education and Social Integration for the Next Generation of Migrant: The Case of Shanghai. *Northwest Population Journal*. No. 5. pp. 59–63.

115. The migrants' age also influenced decisions to return. In particular, older, first generation migrants with lower education levels are more likely to return home. The DHRSSB statistics show that with increases in age, the likelihood of returning also increases. In 2016 and 2017, the number of returning migrants aged 35 or above was 2–3 times greater than that of younger migrants. In 2018, more people aged over 45 came back, accounting for 78% of the total returnees.

116. Older migrants in this study had a modest level education and technical skills. In the cities, these migrants were mostly engaged in low-end work in construction (Participants I and J) and manufacturing (Participants B and K) with low incomes. With the increasing demand for skilled workers during the economic transition, such migrants become more vulnerable to economic shocks, especially when they get older.

117. As the government official from DDRC (Participant U) said: "In the last 2 years, the construction industry's slump, coupled with the increase in the unemployment rate of coastal enterprises, has led to the return of many people." The official from the Employment Section of DHRSSB (Participant S) said: "Most of the returned migrants are aged and unskilled with lower level of education. After returning, they expect to earn money while taking care of children and the elderly at the same time.

118. On the one hand, the labor supply in Dianjiang seems sufficient; on the other hand, local enterprises face difficulties in recruiting qualified laborers. Most of returned laborers are aged and unskilled, with lower level of education, this restricts them from getting jobs with adequate salary that they wished to get upon their return."

119. While limited human capital tends to be a "negative" push factor, higher levels of human capital can work as a "positive" push factor. Knowledge and skills accumulated while working in cities encourage migrants, especially those of first generation, to return home for entrepreneurial activities. They also contribute to the success of returning migrants in establishing a start-up or finding a job. Once migrants encounter problems in the city or have an opportunity to go back, they return home to start a business or find employment with their financial capital, technology, and experience. Migration also enhanced their social and business networks and enabled them to accumulate economic wealth and enhance their investment capacity—all of which helped them in their job endeavors upon their return.

120. In our research, it was mainly first generation migrants who had a chance to accumulate substantial human capital and to utilize their skills upon their return.

121. As the official from the Entrepreneur Guidance Section of DHRSSB (Participant T) explained: "the returning migrants who start a business usually are those who are 30–50 years old with some experiences and technology and have accumulated some money. Most of them have market resources, e.g., do outsourcing activities for the enterprises they previously worked."

122. The director from Changlong Business Start-up Park for Returning Migrants (Participant W) said: "All the entrepreneurs in this park are returning migrant labors. After accumulated working experience after years' migrating and fund, they came back to start-up businesses, usually in the manufacturing industry."

123. Among participants in this research, four are entrepreneurs (two males [Participants B and G] and two females [Participants K and L]) who had migrated to the city and accumulated some business and manufacturing experience. One participant had accumulated substantial work experience and skills in a garment factory in Guangzhou together with her husband. When they returned home, they ran a steel sale store and later set up a stainless steel factory.

124. Most second generation returning migrants had limited financial capital, which, as a rule limits their opportunities for starting up a business. Some participants, however, were successful in initiating small-scale business activities, largely due to their work experience and skills. Two young entrepreneurs, Participant K and Participant L run a small e-commerce business selling decoration materials. As Participant K said: “I learned some business skills so that now I can start-up my own business. My parents expect me ‘*Chengjia Liye* (get married and start my career).’ I think such expectation is partly realized.”

125. The ambition of many returning younger migrants of the second generation is to start-up a business in the near future. Two young male participants (Participants O and Q) expressed their willingness to start businesses but needed training and guidance, as well as two females (Participants C and F) who had already got married and also wished to start a business with their husbands. Participant F said: “The outside world was not as good as imagined; feeling lonely and helpless. Now, I have no big challenge, but I want to do business with my husband together, like buying two machines and do some machining and processing.”

126. The experience of working in the city had also helped second generation migrants with lower level of education and limited vocational training to find jobs upon their return. These persons did not have sufficient skills and knowledge to start a business but owing to their work experience, they were able to take advantage of existing wage employment opportunities. These are often those migrants who returned for a family reunion or marriage.

127. All the returning migrants in our study said that their work experience helped them find jobs in machinery manufacturing or service industries in Dianjiang County since they had work experience in big factories outside Chongqing Municipality. However, these would not necessarily be highly paid jobs. Thus, in order to get a job with a good pay or start a business, they would have to have training and capacity building to enhance their skills.

128. Some second generation returning migrants found it difficult to obtain wage employment back at home. These were young people who had low-skilled jobs in the city and had not accumulated adequate work experience. With the continuous economic and technological progress, the transformation from labor-intensive to capital- and knowledge-intensive jobs requires higher technical skills and knowledge. This limits job prospects for workers with low skills who are unable to adapt to the needs of modern high-tech enterprises.

129. According to an officer from Employment Section in DHRSSB (Participant S), nearly 50% of returned migrants in Dianjiang County chose to migrate out again every year because it is difficult for them to get a desirable job. Compared with the first generation, second generation migrants have stronger preference for nonagricultural employment and are not willing (or have the necessary abilities) to engage in farming.

130. To be successful in the labor market, however, they urgently need the government or industrial parks to provide continuous and tailored vocational education and skills training to help enhance their market competitiveness.

G. Social Capital

131. Social networks in the PRC serve an important “pull” function as they facilitate migration and provide important social and practical support to migrants in the city. This study showed that social capital is an important factor that encouraged migration.

132. According to the FGDs, 9 out of 18 participants move to urban areas following their relatives, friends, and other people from their native area. An officer from Employment Section of DHRSSB (Participant S) suggested that over 60% of migrants go to Yunnan and Hubei to follow their country men and women engaged in construction. Some participants—especially those who migrated out in the 1990s and early 2000s—followed their family members and country people, as for example, Participants A, B, and J. The trend is different for younger people who have graduated from college or university. They are more independent, and their decision usually does not depend on their family network experience. They tend not to follow others and often prefer to move to the city alone or with college or university friends.

133. Migration triggers dramatic changes in a person's life introducing new economic, social, and behavioral challenges and intensifying physical and mental pressure in their daily lives. Besides the need to sustain their economic livelihoods, migrants need to undergo a difficult process of social and psychological adaptation.

134. The challenges posed by migration include how to adapt to the new sociocultural environment; how to adjust their expectations to the reality of urban life; how to change traditional attitudes and lifestyles; and develop a new, urban identity and sense of belonging to the city. New migrants also need to address practical needs including acquiring new life skills; accessing local community services, including medical services; and tapping into existing social support systems.

135. Studies of labor migrants in the PRC suggest that socioeconomic difficulties, work-related stress, and the process of adjusting and adapting to new realities and conditions can easily lead to difficulties in life and poor mental health of migrants.⁵¹ In addition, discrimination and social inequalities that exist in the cities contribute to emotional distress and adversely affect their mental and physical health.

136. Social networks can play an important role in helping people overcome psychosocial and practical barriers and successfully adjust to their new realities. However, opportunities for benefiting from the existing urban social networks are more limited for migrants. Migrants find it difficult to access existing social networks and expand their social capital in the city. Migration in the PRC has been accompanied with social segmentation, manifested in the limited “connectedness” between urban and rural residents.

137. Migrants are often unable to tap into local social networks and benefit from community organizations, activities, and services in the city (footnote 34). They have limited social contact with urban residents, which often engenders a sense of alienation and exclusion.

138. In fact, the difficulty to access urban social networks for support and interaction, social alienation, and stigma attached to rural migrants become a push factor that compels migrants to return.

139. Confronted with such social barriers, most migrants continue to rely on their existing social networks comprising of relatives, friends, and neighbors. Rural areas traditionally have strong stocks of social capital based on relationships of trust and reciprocity. Migrants tend to maintain and strengthen their ties with their country men and women, forming new migrant communities in the city. These networks provide important social and practical support; for example, they facilitate access to information on wage levels and employment opportunities in the city, help access housing, and provide emergency safety nets.

⁵¹ Zhong, B. et al. 2016. Acculturative Stress of Chinese Rural-To-Urban Migrant Workers: A Qualitative Study. *PLoS ONE*. 11 (6). <https://doi.org/10.1371/journal.pone.0157530>.

140. Our research suggested that migrants' life in the city is dominated by work, which restricts their social interaction.

141. Most participants in our study mentioned that they had very little spare time for entertainment, for example, watching TV and socializing. They were commuting between their home, workplace, and shopping malls. This left little time for social interaction and limited their prospects for integration and developing an urban identity. As Participant F mentioned: "I felt lonely and [had] no sense of belonging [to the city]." This was one of the reasons that compelled migrants to return to Dianjiang, especially after they become older.

142. Second generation migrants who graduated from college or university are more likely to interact with urban residents and expand their networks because they usually have friends from the same colleges or universities working in the same city. However, they also feel lonely and isolated due to family separation and have a strong desire to return especially after they form relationships or marry a Dianjiang County resident.

143. Family and community ties also serve as a pull factor in facilitating return migration. These ties provide access to important information that can help get a job or start a business back at home, as the experience of female entrepreneur Participant B illustrated. She first worked as an operator and later as a team leader in a factory in Guangzhou. There, she worked together with her husband, their son, and parents in the same factory.

144. Several years later, her husband's brother, who had a shop and a factory of stainless steel pipes in Dianjiang County, informed them that a shop next to his shop was on sale. She came back to Dianjiang County to run the shop for several months and found that the business was doing well. Thus, her whole family followed her to return to Dianjiang County. After running the shop for several years, she and her husband set up their own factory. At the time of the interview, the total annual production value of their factory was up to more than CNY100 million.

145. Social networks facilitate migrants' return as they not only provide material and practical support, but also remain as key sources of their social identity and belonging. Most participants in our study noted that in addition to their family obligations such as taking care of elderly parents and children's education, social networks in their home places were an important determinant in their decision to return. As female entrepreneur Participant J mentioned: "In a world of familiar people, things are easier—one can have a sense of belonging to the local community, relatives and friends may help to find jobs by providing information, one may have a more relaxed, happier, decent and dignified life. For example, we help many returning migrants start-up small businesses or find jobs."

146. Social networks developed in the city can be useful for establishing and expanding business activities back at home. According to the key informant interviews, some returning migrants were successful in developing business connections and utilize them in their new endeavors.

147. These are mainly people of 30–50 years old with some experience in new industries and technologies who also managed to develop social networks in the city. Most of them had very good connections in the market and with outsourcing enterprises in which they had worked before.

148. For instance, Jinlong Technology Company is run by a couple who migrated to Guangzhou and worked in a factory for many years. In that factory, the husband was working as a team leader, and the wife was a saleswoman. When they returned to Dianjiang County to start their own business, they began to make TV switches and wires for motorcycles for the Guangzhou factory where they had worked.

H. Family Relations

149. Family bonds and the relationship of interdependence are crucial for facilitating and supporting migration. Migration decisions are made by individuals in consultation with other family members; they tend to prioritize family well-being and take into account the preferences, expectations, and contribution to the household by all family members. Mutual interdependence between family members is instrumental in enabling migration.⁵²

150. Most migrants have the endorsement of spouses, parents, and siblings who benefit from the remittances sent back by migrant family members. For migrants, it is essential to secure the agreement and cooperation of family members staying behind to ensure the continuity of care for their children and the elderly. Returning migrants can rely on practical and psychological support of their family members that facilitates their transition and adaptation.

151. Migrant family members often provide support and encouragement for others to migrate. As Participant A said: "My aunt worked there, and my father persuaded me to migrate out." Similarly, Participant Q said: "I made the decision to migrate together with my parents. One of my uncles was working outside. I went with him. That made things easier. Without him, I might not have the courage to go because I was very young at that time." After moving to the city, these migrants benefitted from practical and emotional support from their migrant family members.

152. The high cost of family separation is a key push factor that encourages return migration. The majority of migrant workers in the PRC left their families behind, including spouses, children, and elderly parents (footnote 21). More than half of all rural migrants went to the cities other than their home county-cities in 2015 (footnote 50) and this made it difficult for them to maintain close contact with their family.

153. Migration imposes a huge practical, social and psychological cost on migrants and their families (Box 2). This includes the need (and difficulty) for putting in place adequate family care arrangements to ensure material, financial, physical, and psychological well-being of their spouses, children, and elders left behind.⁵³ It also heightens the vulnerability of migrants and often triggers a sense of isolation and loneliness.

154. Previous studies have found that population migration is one of the important factors leading to the decline in marriage stability and the rise in divorce rates.⁵⁴ This was corroborated by the official from the DDRC (Participant U): "If migrating alone, 20-30% families would be broken." Marriage stability varies from generation to generation. Marriage and family life stability of the second generation of migrant workers is significantly lower than that of the first generation of migrant workers. It is also gendered, thus marriage stability of female migrant workers is significantly lower than that of male migrant workers.

155. The participants of the study said that migration in Dianjiang County had a substantial social cost particularly in terms of family separation. Their decision to return was largely driven by the desire to reunite with their family members and the necessity to assume greater responsibility for addressing their needs. As Participant A said, "I think 80% of migrant laborers return for family."

⁵² Liu, J. 2014. Ageing, Migration and Familial Support in Rural China. *Geoforum*. No. 51. pp. 305-312.

⁵³ Qiang, L. and L. Wenjin. 2009. Factors Affecting the Intention of Stay or Return for Peasant Migrants. *Chinese Rural Economy*. No. 2. pp. 46-54; and L. Kai. 2009. Migrant Labor, Occupational Transfer and Entrepreneurship. *The Journal of World Economy*. No. 6. pp. 77-87.

⁵⁴ Fenglian, D. 2010. The Impact of Migrants Floating in China on the Stability of Marriage. *Comparison of Economic and Social System*. No. 5. pp. 105-111.

Box 2: The Cost of Migration for Left-Behind Families

The economic and social cost to rural areas was more substantial than the pressures generated by migration in urban areas. The outflow of talented people (brain drain) and capital hurt the economic development of rural areas.^a Rural–urban migration has also had a detrimental effect on rural areas and led to “hollow villages,” “left-behind children,” “stay-at-home women,” and “stay-at-home elders.”^b Village life has lost its vitality and rural population, mainly women, children, and elders have suffered both psychologically and physically. The gap between city life and rural life has been widening instead of narrowing as expected.^c

According to the Ministry of Education (2018), about 18.97 million school-age rural children were migrating with their migrant parents, and 15.51 million school-age children were left behind in rural areas. Separation from parents also has long-term consequences in all aspects of the children’s lives. The rate of school dropouts among the rural children whose parents are migrant workers is much higher than the urban children (or the rural children living with parents).^d Compared with rural non-stay-at-home children, these children had higher risk of emotional and mental health problems, which become more pronounced as they grow older.^e They show more problems in emotional control, attention, and social adaptability. They are more likely to sustain injuries as they do not have sufficient knowledge and skills to protect themselves.^f The injury incidence of the stay-at-home boys is especially high and injury incidence rises with age.

Elder family members most often stay in their hometowns to look after their grandchildren. This happens when married women follow their husbands to the cities once their children reach school age. Left-behind elders are most often reliant on monetary support from younger members who migrated to cities. The extent of such support depends on the economic status and family life cycle of migrant family members.^g Often young adults can only provide financially for their elderly parents at a much later stage of their migration. Studies show that migration can have positive consequences for left-behind elders who receive remittances and can sustain their important needs; at the same time, it tends to negatively affect their psychological well-being as left-behind elders often experience stress, depression, and loneliness.^h

^a Xiaomin, D. and C. Jianbao. 2010. Empirical Analysis on Impacts of Migration on China’s Provincial Economy. *Population Journal*. No. 3. pp. 77–88.

^b Liangjian, W., C. Kunqiu, and L. Ninghui. 2017. The Degree Measure and Spatial-Temporal Variation Characteristics of Rural Population Hollowing on County-Level in China. *Population Journal*. No. 39. pp. 14–24.

^c Yunsong, C. 2015. Inequality Effect During Urbanization and Social Integration. *China Social Science*. No. 6. pp. 78–83.

^d Lee, M. H. 2011. Migration and Children’s Welfare in China: The Schooling and Health of Children Left Behind. *The Journal of Developing Areas*. No. 2. pp. 165–182.

^e Zhao, C. et al. 2018. Impact of Parental Migration on Psychosocial Well-Being of Children Left Behind: A Qualitative Study in Rural China. *International Journal for Equity in Health*. 17 (80). <https://doi.org/10.1186/s12939-018-0795-z>.

^f Government of the PRC, National Bureau of Statistics. 2019. *Migrant Population Development Report of the PRC*. Beijing: Population Publishing House; and UNICEF. 2017. *Population Status of Children in China in 2015: Facts and Figures*. <http://www.unicef.cn/cn/index.php?m=content&c=index&a=show&catid=226&id=4242>.

^g Liu, J. 2016. Ageing in Rural China: Migration and Care Circulation. *Journal of Chinese Sociology*. 3 (9).

^h Zhuo, Y. and Z. Liang. 2015. Migration and Wellbeing of the Elderly in Rural China. In R. Iredale and F. Guo, eds. *Handbook on Chinese Migration: Identity and Wellbeing*. Cheltenham, UK and Northampton, MA: Edward Elgar Publishing.

156. Nearly all participants mentioned the prospect of rejoining their family as the most beneficial and positive side of returning.

157. All female participants and four male participants suggested that physical separation from family was the biggest challenge they had faced in the city. They referred to “feeling lonely” (Participants C, D, F, G, and I), “feeling helpless” (Participant D), “no sense of belonging” (Participant F), “separation with family” (Participants N and O) and “feeling homesick, missing home” (Participants B, H, I, and R), and they felt the absence of immediate practical family support. Female Participant D said: “Once I was ill, and unluckily my wallet was stolen, the only thing I could do was to borrow money from my boss, and I went to the hospital alone. But if I were in Dianjiang, my parents would take care of me.” Participant M said: “life was difficult [in the city] when my parents were not with me.”

158. Although the PRC's transportation system is well-developed, migrant workers cannot afford to go home frequently.

159. Family separation was an especially significant push factor for eight participants of our study (Participants B, C, I, J, L, N, O, and R) who had babies during their migration. All of them had left their babies behind, some with their wives (Participants I, L, N, O, and R) and others with their parents (Participants B and C). The decision to leave their wives behind was primarily driven by the existing traditional view on gender roles in the family, and namely that it is a woman's prime responsibility to care for children and elderly family members, while the man's is to provide for the family.⁵⁵ Participant I said: “My wife has to stay at home to take care of our child. What else could we do? A child needs somebody to look after him at home. Life was difficult, but we had no other options.”

160. There were also safety considerations associated with living in a male dominated circle of migrants as well as uncomfortable living conditions. As Participant Q said: “I had to leave my wife and child at home. My wife could not go with me because it was not safe for a woman there. We lived in cheaper rural houses; eight persons shared one room. All the people there were men. Women would not feel safe there. And furthermore, she had to take care of our child.”

161. Migration creates difficulties for addressing education, health, and emotional needs of left-behind children. Elderly grandparents with lower educational backgrounds are often the primary caretakers of these children. The grandparents often pay more attention to meet the children's sustenance needs rather than cognitive development. Participant C said, “My son stayed with my parents. Luckily my parents are eager to teach my son, but their knowledge and ability was so limited. What they did was far from my expectation.” Thus, the need to assume a leading role in educating and raising their left-behind children is an important determinant of migrants' decision to return.

I. Social Security, Housing, and Infrastructure

162. The restrictions imposed by the *hukou* system on migrants' access to public services, including social security, health care, and children's education adversely affects migrants' livelihoods and is a key push factor that encourages return migration. Construction workers are especially vulnerable as they constantly move from one construction site to another and rarely have social insurance coverage.

163. The officer from Employment Section of DHRSSB suggested that many migrants from Dianjiang County who work in construction in Yunnan and Hubei frequently change employers. They often appear to be helpless and unable to protect their interests when their employers refuse to give them insurance

⁵⁵ Weidong, L., M. Shuzhuo, and W. Feldman. 2013. Gender Differences in Anomia Among China's Rural Migrant Workers in the Context of Gender Imbalance. *Sociology*. No.33. pp. 65–88.

coverage or delay their payments. Therefore, many migrants are motivated to return to home counties where it is becoming increasingly possible to access social security through enterprises.

164. Most participants said that they were not covered by social and medical insurance in the city.

165. For example, Participant B said: “When my colleagues or I got ill, we seldom went to hospital since we could not afford high expenses.” She migrated with her family, including her daughter and her parents, but the lack of social protection and access to quality education prompted them to return. She said: “We had no opportunities to use the local social services. When my daughter was 7, we returned home together, and thus my daughter could have a good education.”

166. Ten participants (Participants C, D, E, F, G, N, O, P, Q, and R) mentioned that they were unable to use local social services in cities. Upon their return, they found employment at Dianjiang County Industrial Park. As economic opportunities and working conditions in Dianjiang County have improved, they now have access to the enterprise’s social security system, which would ensure long-term social protection.

167. The difficulty in getting a place of their own and poor living conditions often contribute to migrants’ decision to return. Most migrant workers with low incomes cannot afford to buy an apartment in big cities. In the Chinese sociocultural context, to own an apartment in a city is often regarded as an essential indicator of a person’s sense of belonging to the city.

168. Without an apartment, the migrant is less likely to develop a sense of urban identity and feel part of the urban community. Owning an apartment can enable migrants to stay put in the same area without the need to constantly move from one temporary accommodation to another.

169. Most migrants, however, live at a work site or in temporary huts with poor infrastructure and living conditions. None of the migrant workers in the study owned an apartment in the city where they had worked. Some of them had lived in the dormitories of the factories and some share a rented apartment with colleagues.

170. Migrants have little prospects of buying an apartment in the city, especially as house prices are on a constant rise. Participant I suggested that housing prices in Shanghai had doubled over the last several years. This makes it virtually impossible for him to become a homeowner, leaving him “feeling hopeless.” Participant K was in a similar situation: “As life pressure was getting greater in Guangzhou with the rapid increase of house price, I could not imagine how I could settle down in Guangzhou.”

171. The situation in hometowns is more favorable to returning migrants as house prices there are much lower. Half of all participants in our study managed to improve their housing status in Dianjiang County. Six (Participants A, B, C, J, K, and R) already had their own apartments in Dianjiang County, Participant F lived in an apartment owned by her parents, and Participants D and E rented apartments with better conditions.

172. When asked about their future plans, four participants (Participants D, I, O, and Q) said they planned to buy an apartment in the coming years, while female Participant F wanted to buy a bigger apartment. Participant Q lived with his parents to save some money and he was confident he would be able to buy his own place: “I have confidence that in coming years I can have my own apartment, since the price is only one fifth to tenth of that in Guangzhou or Shenzhen.”

173. He preferred to live in Dianjiang County, despite the fact his salary was lower than that he used to have in Guangzhou City. A young female, Participant F, moved back to live with her parents which gave her a chance to improve her living conditions: “My family has a farmland at home, we have a big

house in the suburb of Dianjiang. I live with my parents and do not have to suffer from poor conditions of the dormitories in the factories.”

174. The improvement of transportation is another pull factor that draws migrant workers back. It is generally believed that in the PRC today, “to get rich, one has to build roads first,” suggesting that the underdevelopment of infrastructure has hindered rural development to a great extent.

175. However, since 2017, the central government has made substantial investments in rural road improvement. It supported a program called “road to every village,” which means that the road to each village should be adequately built and paved.

176. According to the Ministry of Transport, with the steady growth of investment in rural highway construction, the national rural road mileage has dramatically increased in 2017 and has exceeded 4 million kilometers. Nearly all townships now have access to roads.

177. All the participants suggested that the infrastructure in Dianjiang County has been improved significantly. In addition, Dianjiang County has a high-speed train from Chongqing Municipality. The 2-hour travel from Chongqing Municipality to Dianjiang County has now been reduced to 30 to 40 minutes.

178. These infrastructure improvements attract investment and promote better job opportunities in Dianjiang County.

J. Productive Assets Such as Land

179. According to the PRC's dual urban and rural land system, rural people have the right to contract land.

180. Land entitlement was seen by the government as an essential guarantee that migrant workers would eventually return home. In recent years, with the state's policy focus on “three agriculture-related issues” rural farmland is becoming more valuable.⁵⁶ In the past, those who had rural *hukou* registration did not see much value in their land and were eager to leave it behind to look for a better life in the cities. As the appeal of home counties is increasing, land ownership has become yet another pull factor that encourages migrant workers to return.

181. The right to cultivate land does not necessarily mean that migrant workers can only engage in agricultural farming after returning home and agricultural production would be their primary source of income. In fact, as mentioned earlier, most participants stated that their primary goal was to engage in business or nonagricultural wage employment.

182. Land, however, is a valuable asset and a safety net that can guarantee livelihood income after returning to their hometowns. While working in the city migrants can transfer their contracted land to their neighbors or other people. When they return, they can use their land to support their livelihoods and they can always rely on their land during economic downturn, when faced with a risk of losing income or becoming unemployed. They can easily arrange a deal with family members to cultivate their land in case they would like to migrate to the city again.

183. The sense of attachment to the contracted farmland differs between the older generation and the younger generation. While the older migrant workers have a strong attachment to the farmland at home, the younger migrant workers take the contracted land as a less significant asset. They have no interest in

⁵⁶ Three agriculture-related issues cover farmers, rural villages, and agriculture.

cultivating the land or returning to the land unless they have no other options in the city. Participant D, a young female interviewee, admitted that her family has a farmland in rural village, which is currently transferred to other people. She said: “I am not able to do farming since I haven’t done it for many years. However, if I am unemployed and find it difficult to live in Dianjiang city center, I may go back to my home village.”

VI. ADDRESSING POLICY GAPS TO SUPPORT RETURNING MIGRANTS

184. Return migration in the PRC can have important welfare and socioeconomic implications. Returning migrants who are able to tap into labor market and entrepreneurial opportunities back at home, have opportunities to enhance their individual and family livelihoods and enjoy better living standards than in the city.

185. Returning home can have important advantages such as family reunification, greater inclusion in social networks, and access to social services and safety nets. Returning migrants can play a decisive role in the development of their home communities by bringing back their financial resources, new skills and knowledge, and introducing innovations and technologies to their hometowns.⁵⁷ In this sense, they can act as key agents for economic and social change in their communities.

186. The Government of the PRC has already highlighted the developmental impact of return migration. President Xi Jinping (2018) stated that while urbanization should be encouraged, rural revival should be similarly promoted.⁵⁸ It is believed that return migration can have important economic benefits and help close the rural–urban gap with a transfer of skills, entrepreneurship, knowledge, and networks back to central and western provinces.

187. Returning migrants, however, require support so they can successfully integrate into the labor market, access public services, and participate in social life of their communities. Access to family and social networks can facilitate their personal and social adjustment. At the same time, the ability of returning migrants to benefit from the labor market opportunities and enhance their employment potential would require access to financial capital, productive resources, skills training, and support services.

188. As a female manager in the study suggested, private enterprises encouraged more migrants and local people to start their own businesses. Once the returnees have access to effective training and advisory services, they could help alleviate the labor shortage in the county.

189. The local government has a crucial role to play in developing favorable conditions for returning migrants. The development plan of the Chongqing Municipal Government (CMG) is to shift from high-polluting industries to an innovation ecosystem that stimulates the development of new products, services, and processes. There is a large skills mismatch between the local human resources supply and future demands of new industries. Low growth and high levels of poverty have led to massive outmigration which has caused social and economic problems.

⁵⁷ Vadean, F. and M. Piracha . 2009. Circular Migration or Permanent Return: What Determines Different Forms of Migration? *IZA Discussion Paper*. No. 4287; S. Zhilei, T. Yu, and W. Haitao. 2010. Household Income Structure of Returned Migrants and Their Intention of Entrepreneurship. *Journal of Agrotechnical Economics*. No. 11. pp. 13–23; and Y. Zhao and S. Xiulin. 2001. Temporary Migration and Policy Effects for Returning Entrepreneurship. *Rural Economic Problems*. No. 9. pp. 25–28.

⁵⁸ Take the strategy for rural revitalization as the primary task in the new era. Speech by President Xi Jinping, 21 September 2018. Source: Qiushi, November 2019.

190. The CMG has issued policies to facilitate the return of migrant workers, but the actual enactment of the key policy provisions is only at the initial stages. Subordinate districts and counties prioritize supporting industries with large output value and efficiency gains and pay less attention to the entrepreneurship of migrant workers who are mainly engaged in small and micro businesses.

191. The analysis of the challenges and opportunities that returning migrants face upon their return has helped distill key issues and gaps in the existing policies and practices. To support returning migrants, governments at all levels need to promote education and skills training; access to affordable finance; employment and entrepreneurship guidance and advice; information sharing; and integrated delivery of support services.

A. Offer Education and Skills Training

192. One of the key priority actions is to offer education and skills training that can help returning migrants access jobs and undertake business activities. Currently, the CMG offers vocational skills and start-up training for returning migrants and provides two types of training subsidies (Box 3).

193. However, the existing training provision is inadequate to equip people with relevant knowledge and skills. The participants mentioned that the design of the existing training courses is not flexible enough to match both market demands and migrants' needs. One of the officials from the DHRSSB (Participant 5) mentioned that "the training content is determined by the Chongqing Municipal Human Resources and Social Security Bureau and it cannot be altered and adjusted by local employment authorities." As such, the training does not take into account the migrant workers' educational level, skills, and specific needs and does not help migrants acquire relevant skills that they can use in future."

194. The agencies that design and deliver training programs should be able to adjust their content to meet the participants' needs. The returning migrants have different levels of basic education, qualification, skills, and work experience. Designing a one-size-fits-all training approach is not sufficient for developing skills and competencies of all returning migrants. To ensure the effectiveness of capacity building and employment support programs, it is important to conduct a needs assessment to inform the nature and content of training programs tailored to meet the requirements of different groups.

195. It is also important to ensure that training programs be designed with a view of supporting longer-term career opportunities at home, rather than supporting workers only for short-term jobs. In addition, the training agencies do not make a proactive effort to disseminate information and reach out to those who may need such training but who may be unaware of training opportunities available to them.

B. Facilitate Access to Finance

196. The local government can significantly enhance the ability of returning migrants to undertake business and entrepreneurship activities by facilitating access to capital. As discussed earlier, local governments provide loan guarantees, loan interest subsidies, and special entrepreneurship subsidies to migrant workers, but such provisions are not effective due to limited availability of finance and a difficulty to access it.

197. The shortage of local finances constrains the availability of funds for entrepreneurial activities and the available subsidies are insufficient to help initiate business activities. These funds are difficult to access due to cumbersome application procedures and high personal contribution thresholds. Only a small number of migrants return with a sufficient amount of their own funds to invest in their new business initiatives. Most of the returnees do not have enough money to start a business.

Box 3: Vocational Skills and Start-up Training for Returning Migrants in the PRC

Vocational skills training includes employment skills training for laborers, special training for family service workers, targeted employment training for university or college graduates, and “four-party” employment training.

Subjects of subsidization of the first two types include children of poor families, fresh university or college graduates, fresh urban and rural junior and senior high school graduates not receiving further education, transferred rural laborers, and registered urban unemployed residents (known as “five types of people”).

The start-up training includes lessons to (i) generate your business idea (GYB), (ii) start your business (SYB), (iii) improve your business (IYB), and (iv) online start-up training and microenterprise start-up training.

Subjects of subsidization of GYB training are undergraduates in Chongqing. The subjects of subsidization of SYB and online start-up training are “five types of people” who are ready to start a business or at the early stage of a start-up (those who received a business license within one year before training). The subjects of subsidization of IYB training are entrepreneurs having started a business successfully (having received a business license) for 1 year or more but less than 3 years and the subjects of subsidization of microenterprise start-up training are “five types of people” at the early stage of start-up (received a business license within 1 year before training), and other staff stipulated by Chongqing Municipal Government.

198. Therefore, some initial seed capital in the form of subsidized loans would be essential to help returning migrants undertake business activities. Financial support is also needed to cover administrative fees for registration. To promote local business and encourage the returnees to start their own business, some reduction in administrative fees and charges can facilitate access.

199. An enabling tax policy and regulatory environment is needed to encourage the establishment of start-ups and investment of personal financial capital into the business.

C. Provide Technical Guidance and Advice

199. Providing technical guidance and advice is essential for helping returning migrants establish and successfully run business activities. As our participants attested, returning migrants require not only skills, but also practical knowledge of how to set up and manage a business.

200. However, they often have limited access to such knowledge.

201. Returning migrants often cannot distinguish between functions and work divisions of different government departments, which hinders their ability to seek support they need. As a result, the problems they encounter cannot be dealt with in a timely manner, which hinders the success of their endeavors and stifles their enthusiasm to start their businesses.

202. It is important to provide employment guidance and proactive support to returning migrants with skills to facilitate their employment chances. To do this, the government needs to engage in a series of dialogues with leading industries to better understand the decision making around recruitment and employment of skilled workers.

D. Improve Information Sharing

203. Effective information dissemination is essential to ensure that returning migrants will be aware of existing policies, programs, and opportunities. According to our participants, there are limited sources of information related to starting up a business, obtaining employment, and registering for a training, especially for small entrepreneurs and returning migrant workers.

204. Some small and microenterprise owners learn about relevant initiatives and their entitlement and eligibility through personal contacts, from family members and acquaintances, but such information may not always be accurate or up to date.

205. Most participants were unaware of available support and training programs. In addition, the beneficiaries of existing programs do not have appropriate channels for providing timely feedback on the usefulness of existing measures.

206. Start-ups and local businesses can greatly benefit from a networking platform that would connect them with similar business communities inside and outside of their localities as well as relevant markets, including e-commerce.

207. Establishment of entrepreneurial parks with public and social service platforms and business incubation centers can help returnees to access a full range of services and resources for their business activities, including information on policies and regulations, business counseling, and support. In addition to traditional media, microblogging, WeChat, and other applications can be utilized to strengthen policy publicity and implementation at the community and enterprise level.

E. Provide Access to Social Services

208. The availability of social insurance coverage and access to essential social services is crucial for guaranteeing essential social protection to returning migrants and their families and enabling their long-term adjustment. Enterprises must ensure regular contributions to a pension fund, unemployment insurance fund, and medical insurance fund.

209. As a way of supporting female employees, enterprises can provide a childcare room in the industrial parks. As Participants E and F suggested, “having a room for baby feeding in the park, one doesn’t need to go home for feeding while working.”

210. Other services, such as public housing subsidies and access to good quality schools are also important for supporting returning migrants.

F. Promote Integrated Delivery of Enterprise Support Services

211. Integrated delivery of enterprise support services can significantly enhance access and experience of their users. The government’s support programs for returning migrants are fragmented and uncoordinated, which restricts access and user experience. Different initiatives are delivered by different local government departments and require filing separate applications to several government departments and bureaus.

212. For example, interest rate discount for microloans for start-ups are provided by human resources and social security departments, subsidies for small and microenterprises by market supervision and administration departments, support for science and technology enterprises by science and technology sector departments, support for agricultural entrepreneurship projects by agriculture sector departments, and tax reduction and exemption policies by tax departments.

213. The fragmented nature of service delivery coupled with complicated administrative approval procedures make the application process time-consuming and cumbersome. The lack of coordination also implies that people may not be aware of all available services and may not take advantage of relevant opportunities.

214. A notable new initiative that has adopted an integrated approach to supporting returning migrants is the Chongqing Innovation and Human Capital Development Project supported by the CMG in partnership with the Asian Development Bank (Box 4).

215. The project will specifically address some of the policy gaps identified above, including the need for skills training, technical guidance and advice, and information dissemination; it will also enhance access to social services. Its integrated approach will facilitate access and enhance the ability of returning migrants to benefit from existing business opportunities.

Box 4: Integrated Service for Returning Migrants: Chongqing Innovation and Human Capital Development Project

The Asian Development Bank (ADB) has a long history of collaboration with the Government of the People's Republic of China in various areas of service delivery and institutional capacity building. ADB has collaborated with Chongqing since 1992 when ADB provided the first industrial energy-efficiency loan.

The Chongqing Innovation and Human Capital Development Project will benefit returning migrants by supporting their reintegration into labor market and improving their access to public and social services. The project will be implemented from 2020 to 2026. The total amount of the project is \$451.48 million, of which \$200.00 million will be financed from ADB loan proceeds.

The project will support start-up skills training, focusing on market economy, financial management, risk aversion and policy interpretation, and also include regulatory knowledge learning to make migrants better understand supporting policies and improve their competencies and awareness. It will help develop start-up “exchange platforms,” whereby experts and technicians from training and service agencies will be invited to provide advice and guidance to returning migrants to help them address practical problems.

The project will establish “one-stop” innovation and start-up public service centers in each industrial park in Dianjiang County and Changshou District. These centers will integrate government innovation and start-up resources and establish a communication channel between innovators and entrepreneurs. Most crucially, these centers will be socially inclusive and promote utilization of people regardless of their gender, age, and disability. They will publicize policies, supporting measures, and application requirements and procedures to help improve local innovation and start-up service capacity, create a better innovation and start-up environment, and offer business opportunities to innovators and entrepreneurs.

For example, users will receive guidance and advice on enterprise registration, tax policy, financial products and services, and enterprise disputes. This platform will complement the existing public services in offering education- and employment-related guidance and counseling. It will support social work and counseling services for migrants' families and children.

Box 4, continued

The project will establish online and offline communication platforms in Dianjiang to inform returning migrants of training opportunities, provide guidance and suggestions on training planning and problem solving, and generate feedback on the needs and problems they face in employment and entrepreneurship. A female entrepreneurs' association will be established in Changshou to share information on innovative policies, regulations and funds as well as to serve as a communication platform for women to discuss their ideas and projects.

The project will provide services for workers and entrepreneurs, including a daycare center for children to allow women to actively engage in the labor market. It will also establish a support system for children in difficult situations, including left-behind children, through relevant field research, teachers' capacity enhancement, and social work service development.

Source: ADB.

G. Establish a Database on Returning Labor Force

216. Understanding the situation and adaptation challenges can help design appropriate and relevant policies and programs to support the needs of returning migrants.

217. Related to this, a comprehensive study is needed to provide an understanding of how large-scale return migration affects livelihood of returnees and local labor markets.

218. Therefore, there is an urgent need to collect data on the skills of returning migrant workers. This will provide a deeper understanding of the skills attained by workers during their migration time and facilitate placement into new employment opportunities.

VII. CONCLUSIONS

219. This study showed that the migrants' decision to return cannot be explained by a single factor. It is the result of the interplay between different "push" and "pull" factors.

220. Thus, migrant workers are compelled to return if they do not get the expected economic and social benefits such as adequate income, employment opportunities, career development, decent housing, and access to social services and safety nets. Migrants also return if they experience inequalities, social exclusion, and stigma.

221. A major push factor is both the lack and availability of financial, human, and social capital.

222. These assets tend to directly influence the extent of migrants' vulnerability and the opportunities for supporting their livelihoods. Low stocks of these assets produce extreme vulnerability to lifecycle risks and economic volatility both for migrants and their families, prompting them to return to a more familiar environment of their home place.

223. Conversely, a higher level of these assets translates into better employment and economic prospects. This empowers migrants to take advantage of the enabling economic environment in rural areas and pursue their livelihoods at home.

224. For both categories of migrants, the decision to return is also influenced by pull factors, such as improved economic development and employment opportunities in their hometowns, availability of social security coverage, more affordable housing and better living conditions, the prospect of family reunion, and presence of strong family and communities networks and support.

225. These factors influence how the migrants assess the prospects of success back in their home counties.

226. The findings of this study have important policy implications for supporting both existing and returning migrants. They speak to a large body of literature that points out the restrictive role of the *hukou* system and the need to tackle labor market discrimination, provide skills training, and inclusive social services.

227. As for supporting returning migrants, the study provided insights into the key policy areas vital for supporting the returning migrants.

228. There should be comprehensive policies and programs in place at the national, provincial, and local levels to ensure their successful reintegration into purposeful employment or self-employment. It is imperative to develop a policy environment that is sufficiently attractive for migrants to return home. This would involve labor market opportunities but also access to social services and safety nets.

229. Most importantly, policies need to help enhance human capital and facilitate access to financial capital as a means of building and strengthening key assets essential for securing labor market opportunities.

230. Currently, lack of reliable and comprehensive data in the PRC are hampering the process of designing appropriate policies to ensure positive development outcomes. Therefore, more comprehensive and large-scale study, research, and analysis are needed to provide policymakers with the necessary data for developing coherent, comprehensive, and efficient policy toward the reintegration of returning migrants.

231. The donor community may play an important role in helping the government to holistically assess the needs of returning migrants, map out the local socioeconomic resources, and identify the institutional and administrative constraints for returning migrants' better integration. This community can also facilitate fruitful dialogue and cooperation between all stakeholders, including the private sector for more efficient results.

232. Most importantly, international development agencies could contribute to sharing the best international experiences and practices on successful return migration programs to address both push, pull, and stay factors.

APPENDIX

Table 1: Supporting Policies for Migrant Workers of Chongqing

No.	Policy	Document No.	Issue date
1	Opinions of the General Office of the Chongqing Municipal Government on Guiding and Encouraging Migrant workers to Return for Business Startup	CMGO [2008] No.296	17 October 2008
2	Notice of the Chongqing Municipal Civil Affairs Bureau on Strengthening Urban Community Services for Migrant workers	CMCAB [2008] No.166	24 October 2008
3	Notice of the General Office of the Chongqing Municipal Government on Promoting the Reform of the Household Registration System for Migrant workers Actively and Steadily	CMGO [2012] No.202	July 2012
4	Notice of the General Office of the Chongqing Municipal Government on Policy Issues on the Disposal and Utilization of Housing and Attachment Land in the Reform of the Household Registration System for Migrant workers	CMGO [2012] No.255	3 September 2012
5	Notice of the General Office of the Chongqing Municipal Government on Doing a Better in Work-Related to Migrant workers	CMGO [2015] No.7	15 January 2015
6	Notice of the General Office of the Chongqing Municipal Government on Issuing the Implementation Plan for Promoting the Return of Migrant workers for Startup	CMGO [2016]33	6 March 2016
7	Opinions of the Chongqing Municipal Government on Solving the Problem of Delayed Payment of Wages to Migrant workers	CMGO [2016] No.101	3 June 2016
8	Notice of the General Office of the Chongqing Municipal Government on Issuing the Implementation Measures for Registered Residence Transfer of Chongqing Municipality	CMGO [2016] No.135	20 July 2016
9	Opinions of the General Office of the Chongqing Municipal Government on Supporting Rural Innovation and Startup, and Promoting the Integrated Development of Rural Primary, Secondary and Tertiary Industries	CMGO [2017] No.70	19 May 2017
10	Opinions of the Chongqing Municipal Government on Further Strengthening the Care for Rural Stay-at-home Children	(CMG [2016] No.27)	10 June 2016
11	Notice of the Chongqing Municipal Urban and Rural Construction Commission, the Chongqing Business Management Dept. of the People's Bank of the PRC, and the Chongqing Office of the PRC Banking Regulatory Commission on the Wage Account Management and Bank Payment System for Migrant workers in the Construction Industry (Trial)	YJF [2017] No.13	28 April 2017
12	Letter of the Chongqing Municipal Urban and Rural Construction Commission on Further Implementing the Policy of Wage Deposit Exemption Policy for Construction Migrant workers	YJH [2017] No.270	5 June 2017
13	Notice on Granting One-time Startup Subsidies for Key Groups	YRSF [2018] No.117	13 June 2018
14	Notice of the General Office of the Chongqing Municipal Government on Issuing the Measures for the Evaluation of Payment to Migrant workers	CMGO [2018] No.118	22 August 2018

Source: Authors.

Table 2: Socioeconomic Development of Dianjiang County

Indicator		Year	Chongqing	Dianjiang	Ranking in Chongqing
Resident Population (million)		2011	29.19	0.7	20
		2017	30.75	0.69	25
Urbanization rate (%)		2011	55	35.9	27
		2017	64.1	44.8	27
Per Capita GDP (CNY)		2011	34,500	20,986	25
		2017	63,689	40,081	27
Per Capita GDP Growth rate (%)		2011	15.1	18.4	12
		2017	8.3	7.4	24
Per Capita Annual Disposable Income (CNY)		2011	-	-	-
		2017	24,153	21,697	23
Per Capita Disposable Income of Urban Residents (CNY)		2011	20,250	18,120	21
		2017	32,193	31,889	22
Per Capita Disposable Income of Rural Residents (CNY)		2011	6,480	7,044	20
		2017	12,638	13,979	18
County (%)	Population	2011	-	0.02	-
		2017	-	0.02	-
	Urbanization rate	2011	-	0.65	-
		2017	-	0.70	-
	Per capita GDP	2011	-	0.61	-
		2017	-	0.63	-
	Per capita GDP growth rate	2011	-	1.22	-
		2017	-	0.89	-
	Per capita annual disposable income	2011	-	-	-
		2017	-	0.90	-
	Per capita disposable income of urban residents	2011	-	0.89	-
		2017	-	0.99	-
	Per capita disposable income of rural residents	2011	-	1.09	-
		2017	-	1.11	-

CNY = Chinese yuan, GDP = gross domestic product.

Note: The indicator of rural disposable income is ranked in 37 districts and counties since there is one district that has no rural residents. Moreover, the rest are ranked in 38 districts and counties.

Source: Chongqing Statistical Yearbook, 2012 and 2018.

Table 3: Basic Information About Participants

All interviews were carried out from 29 to 31 July 2019

Participant	Gender	Age	Education	Migrant-out period	Migrant-out years	Generation	Primary reason for return	Interview Place
Return Migrant								
A	Female	43	senior middle school	1993–2009	16	First	For marriage	Changlong Business Start-up Park for Return Migrants
B	Female	45	junior middle school	1992–2006	15	First	For business and kids' education	Same as above
C	Female	33	college	2008–2018	10	Second	For family reunion with parents and kid	Dianjiang County Industrial Park
D	Female	26	college	2015–2017	2	Second	For family reunion with parents	Same as above
E	Female	27	college	2013–2017	4	Second	For marriage	Same as above
F	Female	29	college	2014–2018	4	Second	For family and marriage	Same as above
G	Female	22	college	2018–2019	1	Second	For family	Same as above
H	Female	24	university	2014–2018	4	Second	For family	Dianjiang Business Start-up Park for Return Migrants
I	Male	35	senior middle school	2015–2018	3	Second	For family	Same as above
J	Male	49	junior middle school	1989–1991; 1993–2010	10	First	For better career development	Changlong Business Start-up Park for Return Migrants

Continued on next page

Table 3: Continued

Participant	Gender	Age	Education	Migrant-out period	Migrant-out years	Generation	Primary reason for return	Interview Place
Return Migrant								
K	Male	35	technical school	2007–2015	8	Second	Big life pressure in the city	Dianjiang Business Start-up Park for Return Migrants
L	Male	39	senior middle school	2012–2017	5	First	For taking care of family	Same as above
M	Male	23	college	2017–2018	1	Second	For better job opportunities and family	Same as above
N	Male	25	university	2017–2019	2	Second	For family reunion with wife and kid	Dianjiang County Industrial Park
O	Male	25	vocational high school	2015–2019	4	Second	For better career development	Same as above
P	Male	24	university	2018–2019	1	Second	For family reunion	Same as above
Q	Male	28	senior middle school	2007–2018	11	Second	For family reunion and kid's education	Same as above
R	Male	30	senior middle school	2008–2019	11	Second	For taking care of parents and for kid's education	Same as above
Government Official/ Director or Manager of Parks								
S	Male	n.a	n.a	/	/	/	/	DHRSSB
T	Male	n.a	n.a	/	/	/	/	DHRSSB
U	Male	n.a	n.a	/	/	/	/	DDRC
V	Female	n.a	n.a	/	/	/	/	Dianjiang Business Start-up Park for Return Migrants
W	Male	n.a	n.a	/	/	/	/	Same as above
X	Male	n.a	n.a	/	/	/	/	Changlong Business Start-up Park for Return Migrants

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Returning Migrants in the People’s Republic of China

Challenges and Perspectives—Evidence from Chongqing

This working paper examines the push and pull factors that shape return migration in the People’s Republic of China. This study draws on primary qualitative research in Dianjiang County of Chongqing Municipality. The push and pull factors are associated with the availability of assets both in migration destinations and back at home that the migrants can draw upon to support their livelihoods. These assets comprise financial, human, and social capital; family relations; access to social security, housing and infrastructure; and productive assets such as land.

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