Out-migration and Chinese rural development

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This article employs a Tiebout-inspired approach to examine how out-migration affects broad-based development in rural China. This approach is tested at two levels: on statistical data from the province level and through interviews with rural (village) officials in western Shandong Province. These tests are inconclusive in that they uncover evidence of increased social provision in response to outward migration at the province level, but there is little evidence that village-level officials are responding to out-migration pressure. Instead, this work uncovers a modified Tiebout-effect: rural communities compete for investments, and the outcome of this competition affects the likelihood of out-migration.

Keywords: China; development; migration; Tiebout; villages; counties

Although notoriously difficult to count, nobody doubts the enormity of internal migration flows in contemporary China. The National Population and Family Planning Commission of China estimates that the country’s floating population exceeded 230 million people in 2011—about 16% of the total population (NPFPC, 2012).

The impacts from these migration flows have not gone unnoticed, but there is a strong urban slant to the studies that examine them. A plethora of studies have considered the role played by rural labour migration in fuelling China’s phenomenal (urban) economic development, and in documenting the challenging conditions under which migrants work and live. But these studies seldom extend back to the sending villages/regions that provide the labour.

The few studies that look at out-migration tend to focus on the economic impact on migrant families (not the villages they flee). Thus, studies employ household-level surveys to show how remittances have contributed to the sending household’s income and consumption levels (e.g. Du, Park, & Wang, 2005) and a fall in its poverty levels (e.g. Zhu & Luo, 2008). I am aware of only one study that employs village-level panel data—and this study also looks at economic effects, finding that out-migration communities first experience a drop in income equality, but—over time—out-migration generates strong income inequality-reducing effects in the sending region (Ha, Yi, & Zhang, 2009, p. 5).

While these documented economic effects of out-migration are encouraging, we still do not know whether sending regions have experienced any broader development effects from out-migration. For example, are left to wonder whether increased migrant incomes (or out-migration more generally) improve the delivery of health, education or welfare in sending communities. While sociologists and anthropologists are documenting rural developments in China, there have been few systematic attempts to link out-migration and broad-based development in rural China.

The relationship between out-migration and broad-based development is pertinent in at least two regards. First of all, China’s central political leadership has noted the need to move away from a narrow focus on economic development and to build a more “harmonious society.” This raises the question as to whether migration contributes to (or undermines) that harmonious society. Second, there is a growing recognition among demographers and economists that China may be nearing its Lewis’ Turning Point, when surplus labour evaporates and results in increased wages, consumption and demand for greater social provision (see, e.g. Cai, 2010a; 2010b; 2010c). Should this be the case, we might expect to see greater effort being employed at improving local public goods provision (the reasons for this will be elaborated upon below).

This article aims to fill this gap in the literature by examining the broad-based development effects of out-migration on rural Chinese communities. My hope is to document the degree to which local communities in China are responding to these new and challenging conditions. To do this, I employ a modified Tiebout approach to consider whether rural communities in China feel pressure to improve the supply of local public goods, as a means of limiting the outflow of local labour. Given the difficulty of securing adequate data, this relationship is tested in two ways and at two levels: by examining simple statistical relationships at the province level and by inquiring about the experiences of six very different villages in rural China.

The results of this study are inconclusive. Although I find some evidence of increased social provision in response to outward migration at the province level, my village-level interviews uncovered little or no recognition of the need to respond to out-migration pressure (as anticipated by the model). Instead, I uncover a modified Tiebout-effect: rural communities are competing for investments (read jobs and income), and the outcome of this competition affects the likelihood of out-migration.

1. Theoretical context

There are several ways in which out-migration might influence broad-based development in the sending community. At the simplest level, the increased income generated by migration could be used by families at home to access better health, education and welfare. But it is also possible that significant out-migration forces communities to improve local conditions. This is my point of departure in this article and it is one that is anchored in the work of Charles Tiebout (1956). This section introduces his contribution, briefly, and describes the challenge of applying it to the Chinese context.

Tiebout was interested in the way in which mobile citizens signal information to policy-makers about the supply of locally provided public goods. Tiebout suggested that local jurisdictions compete for mobile citizens by offering competing bundles of public goods (Tiebout-sorting). Although Tiebout’s focus was trained on the migrant (as a preference-signalling device), not on the community in question, we might define Tiebout-effects as the need for local officials to compete for mobile citizens by offering competing bundles of public goods (Tiebout-sorting). This is my point of departure in this article and it is one that is anchored in the work of Charles Tiebout (1956). This section introduces his contribution, briefly, and describes the challenge of applying it to the Chinese context.

Tiebout’s work uncovers a modified Tiebout-effect: rural communities compete for investments, and the outcome of this competition affects the likelihood of out-migration.

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history weighs more heavily on workers and it is generally assumed that rural migrants intend to return to their home village. As a consequence of these different cultural and historical contexts, we might expect Tiebout-sorting to be weaker in the Chinese context, ceteris paribus.

But there are also political reasons why we can expect more muted Tiebout-effects in China. These political factors fall under two rubrics, both of which limit potential mobility. The first recognizes that Chinese migration is legally restricted by the hukou system, which makes it very difficult for an ordinary rural resident, without official connections, to gain permission to live in an urban area. Today’s migrants are able to take up “temporary” jobs (i.e. they can move without obtaining local hukou), in doing so, however, they are not eligible for the many benefits and rights enjoyed by ordinary local residents (Chiu, 2012a, pp. 81–82). In effect, the hukou system creates a stratified (urban/rural) system of citizenship, where rural migrants are denied important rights offered to urban citizens (most importantly, with respect to health and education benefits).

This will mute the expected Tiebout-effects as internal migrants in China are less exposed to social benefits in the host city/area. In other words, these migrants may be fleeing the poor provision of public goods in rural areas (e.g. with respect to health and educational services), but they are not being drawn to better services in the host (urban) settlement areas, as the hukou restrictions limit their access to these.

The second political reason concerns the different structures of governance in the USA and the People’s Republic of China. In the USA, there is an extensive and elaborate (some Europeans might even call it extreme) form of local democracy. This artefact can be seen in the election of many local positions (e.g. sheriffs, judges, school-boards), and in the local community’s ability to secure independent revenues (whether through taxes, fees, bonds, penalties, speeding tickets, etc.). In China, by contrast, there is an established system of centralized political authority, harnessed by the ruling Communist Party of China (CPC). A hierarchical state (and party) apparatus provides the CPC with significant control, both vertically and horizontally, as local cadres are (in effect) representatives of the central state: the Party endorses their appointments, and their work is assessed by cadres from upper echelons. In short, China’s constitutional make-up prioritizes the interests of the central state. As a consequence, it is not clear that local authorities in China are motivated to prevent out-migration, given the central government’s push to encourage surplus labour transfers and the embrace of slogans such as ‘the migration of one person frees the household from poverty’.

Thus, for both cultural and political reasons, we can expect to find relatively less evidence of Tiebout-effects in the Chinese context. Nevertheless, this framework offers a useful vantage point for a discussion about the broader development effects of out-migration in rural China. Indeed, in a non-democratic context, migration offers an important signalling mechanism for local officials interested in addressing constituent dissatisfaction. Citizens end up sorting themselves in a spatial economy (Tiebout-sorting), revealing their preferences in the doing:

The act of moving or failing to move is critical. Moving or failing to move replaces the usual market test of willingness to buy a good and reveals the consumer–voter’s demand for public goods. Thus each locality has a revenue and expenditure pattern that reflects the desires of its residents. (Tiebout, 1956, p. 429)

Consequently, we might interpret out-migration as a means of ‘voting with one’s feet’. If we assume local officials are concerned about constituent dissatisfaction, we can expect them to improve public service provision in an attempt to attract (or keep) potential migrants. Quite simply, we should expect local officials to respond to significant out-migration over time with improved social conditions and/or increased public service provision.

2. The testing framework

To test for Tiebout-effects in the Chinese context, we must first establish the appropriate level of analysis. It is clear that Tiebout prioritized the local level of government, and work in this tradition is cautious about employing the argument at higher levels of aggregation. Unfortunately, there is a strong and inverse relationship between data-availability and levels of government in China. It is not possible to find consistent and comparable local government expenditure and out-migration data in the public realm. Individual towns, counties and provinces have different priorities when publishing their annual statistical yearbooks, and there is no attempt to streamline these for comparative analyses. Nor is it entirely clear, a priori, which level of government authority (province, prefecture, county, town or village) has sufficient autonomy to change conditions in a way that could facilitate or deter Tiebout-sorting (see below).

In short, some rough data exist at the highest (province) level of political aggregation, but this level is less likely to reveal the particular mechanisms that could drive the Tiebout-effects. Conversely, we can expect to find the strongest evidence of Tiebout-sorting at lower (village or county) levels, but there are no public databases to analyse developments at these levels of political aggregation.

To overcome these difficulties, I employ a compromise strategy, employing whatever data are available and comparing the lessons that are generated across levels. While such a strategy is fraught with methodological challenges (related to aggregation fallacies), I can think of no better alternative.

2.1. Province-level effects

Let us begin by examining the relationship at the only level where there is reliable data: the province-level. This level of aggregation is not optimal for uncovering Tiebout-effects, but it can give us a rough indication of whether out-migration is equalizing development opportunities across disparate regions in China. The first four columns in Table 1 draw from the work of Kam Wing Chau to assemble a rough measure for the level of out-migration across provinces. This table uses his data to rank provinces into three categories by their average level of annual out-migration between 1995 and 2005. In particular, a province is said to have experienced a high level of out-migration when its rate of annual out-migration, in any five-year period, was greater than 10 migrants per thousand residents (per mil). A province is said to have a medium level of out-migration when its average annual rate was between five and ten per mil; and a province has a low level of out-migration when its rate falls below five per mil.

On the right-hand side of Table 1 are several indicators for capturing some of the expected effects from that out-migration. The middle column presents the most recent Human Development Index (HDI) score, in 2008. This column provides a glimpse of the variance in opportunity that still exists across provinces today, even after a decade of substantial inter-province migration. From this column, we see that the high out-migration provinces, on average, still tend to suffer from a lower (0.767) HDI score than the medium (0.769) and low (0.798) out-migration provinces. In short, even after a decade of out-migration, the sending provinces are still relatively underdeveloped, on average.

When we look at the change in a province’s HDI score over time, however, the picture changes rather remarkably. Here we see that high out-migration provinces have, on average, enjoyed larger HDI gains (20.1%), and that these gains tend to decrease along with the level of out-migration. Thus, medium out-migration provinces enjoyed a smaller (17.7%) increase,
### Table 1. Out-migration and development indicators (province level).

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Sources: Chan (2012a, p. 90); Chan and Wang (2008, p. 30); HDR China (2007, p. 139); UNDP (1997), and various issues of the China statistical yearbook. Note: The out-migration data are based on five-year census data; see Chan (2012a) for details. The demographic data are Chan and Wang's (2008) 'de facto' population estimates, per province, in the closing year of each period (i.e., 1995, 2000, 2005). The resulting out-migration figures in the table are generated using province-level data in the simple formula: \( \text{Out-migration} = \frac{\text{Population} \times 1000}{\text{Closing Year}} \). The figures in italics represent five-year average highs that qualify the province for its ranking in a given category (high, medium, low). High out-migration provinces have more than 10/1000 annual out-migrants in any given five-year period; medium out-migration provinces have between 5 and 10/1000; and low out-migration provinces are those that did not experience more than 5/1000 out-migrants a year in any given five-year period. Before 1996, Chongqing was included in the Sichuan province figures. In the "% Δ GDP" column, the Chongqing and Sichuan figures are for 1997 in the "Δ Welfare" column, these province scores come from 1998. As the budget categories sometimes change over time, the dating in each column varies slightly. The "Government Expenditures" columns report the change in the budget share that went to the given component over the time specified. For example, the "Δ Welfare" column captures the change in the share of the total provincial expenditures that went to "Expatriates for Pensions and Relief Funds for Social Welfare" (1995–2005). After 2005, this budget item was changed to "Expenditure for Social Safety Net and Employment Effort", and hence was not comparable. The Inner Mongolia "% Δ GDP" data is extraordinarily large, but jettisoning this score does not change the fact that the low out-migration provinces still enjoy the highest average economic growth rates (the average drops from 458.1 to 459.2).
while the low out-migration provinces enjoyed the smallest (13.7%) gains. It is important to point out that these (low out-migration) provinces are the wealthiest in China: they include the magnet provinces to which many migrants are attracted. Consequently, we might expect their rate of growth to be smaller than those provinces which begin at lower HDI levels. What is odd, however, is that the economy in these provinces is still out-performing the higher out-migration provinces, and this economic growth should generate more HDI, ceteris paribus (see the discussion below, with respect to change in GDP/capita).

In short, it would seem that provinces which have experienced the largest out-flow of migrants (as a share of their population) are those that are also experiencing the largest increase in human development (on average). This finding is consistent with our expectations — though it is not clear that the rise of HDI can be explained by Tiebout-effects (i.e. by local government responses to the migration flight).

The three columns that report the share of (province) government expenditures aim to capture this policy-effect more directly. Here we see that the share of a province’s budget that goes to welfare and health expenditures increased the most (on average) in the high out-migration provinces, relative to the middle and low out-migration provinces (while the pattern evident in education budgets is inconsistent with our expectations). This may be the best evidence that local governments are responding to the outflow of migrants by redirecting their budget expenditures in a way that improves the local provision of public (health and welfare) goods.

The final column provides a summary of the per-capita growth rate of province economies over roughly the same stretch of time. This column can be used as a sort of control, as it shows that the observed increases in the HDI, Welfare and Health indicators are not just the result of a growing economic pie. After all, we might expect broad-based human development to occur in the wake of economic development, irrespective of the level of government actions. But when we see the rate of human development moving contrary to the rate of economic growth, when comparing across different out-migration levels, then we know that something interesting is going on here.

The influence of economic growth on a province’s broader development can also be controlled for in a more visual fashion, by regressing the per cent change in a province’s HDI score onto the per cent change in its per-capita GDP. This is done in Figure 1. The regression line provides us with a rough estimate of the general relationship between economic growth and human development across provinces in China, for the period under consideration. When we locate the provinces with the highest level of out-migration, we find that they have enjoyed a stronger growth in human development than we might otherwise expect, given their rate of economic growth (i.e. each of them is located above the regression line).

Of course, the simplest way to capture the relationship between out-migration and broad-based development is to regress the change in province HDI scores (over the 1997—2008 period) onto the per mil level of out-migration (over a similar period of time). This is done in Figure 2, which reveals a weak but positive relationship between a province’s out-migration rate and improvement in its human development indicator. As there are any number of other variables that might affect the rate of change in a province’s HDI score, this scatter plot should be read with some caution.

In summary, we can conclude this section by noting the existence of a pattern in the province-level data: those provinces that have experienced the highest rates of out-migration (as a share of their population) enjoy larger improvements in human development and they also prioritize a larger growth in the share of their province expenditures delegated to public goods provision (such as health and welfare, although not education). What is perhaps most interesting is that these gains are evident even after we control for economic gains over the same period of time.

While these findings are encouraging, one should keep two caveats in mind. First, there could be other explanations for the patterns in social spending that we see (e.g. fiscal transfers and central government policies aimed at other — non-migration-related — objectives). Second, it is important to remember the concerns of Tiebout scholars about focusing on higher levels of aggregation. In order to be certain that the nature of these effects are as hypothesized, we need to examine the decisions and attitudes of public officials that are in closer proximity to the affected constituents.

2.2. Village-level effects

To discover whether local officials act in a way that is consistent with our expectations, it is first necessary to establish the appropriate level of political authority. This is no easy task. If authorities are to respond to signals of citizen dissatisfaction (operationalized here in terms of out-migration), then they need to wield policies or instruments that can improve the local provision of public goods. As noted above, they also need to be sensitive to constituent needs and concerns.
Three levels of governance compete for our attention: the village, town and county. I chose to focus on the village level, for three reasons. Most importantly, it is the lowest level of political authority, where village officials are in daily contact with their constituents. It is at this level we can expect officials to be most sensitive to constituent needs. Second of all, with the introduction of village democracy in the early 1980s suggests that this level may be the most appropriate level to test for Tiebout-effects.15 While the formal responsibilities of the village officials are established from above (and are similar across villages), village officials enjoy some autonomy. This autonomy is derived from the election process that selects them, and the village’s access to external and additional sources of funding (e.g. via taxes and/or land rents from local economic development). Finally, work by Rachel Murphy (2002; 2009), as noted in the introduction, might be read in a way that suggests local village officials are increasingly sensitive to out-migration pressures.

With this decision made, it was necessary to develop an appropriate sampling strategy. This is more difficult than most Western social scientists can imagine— for two reasons. First, China is an extremely large and diverse country — and the opportunities facing any particular villager can vary significantly depending on whether they find themselves in a relatively prosperous or poor province (or county). Temporal, financial and social (network) constraints make it impossible to collect a varied sample across this wide spread. This brings me to the second difficulty. Collecting field data in China requires that one has access to social networks. Researchers need an invitation to visit local contexts in order to access the people who sit on the data; relevant data do not exist in public databases, waiting to be mined by the entrepreneurial social scientist. As a result, no single individual can have access to the scope of data that would be necessary to test this argument in a representative sample of villages (or counties) across all of China’s provinces.

My solution to these challenges was to generate an analytically relevant selection criteria. In short, I used my limited contacts to arrange interviews with local officials in several villages from a single county in the western (relatively underdeveloped) part of Shandong Province.16 I do not claim that the county in question is representative of Chinese conditions. Indeed, it is above average with respect to its level of wealth and economic development. While it is located in a province that exhibits a relatively low level of inter-provincial out-migration, this county does have a significant floating population (i.e. very high levels of local, intra-provincial, migration).17 Within this county, however, I sought to include as wide a variety of contexts as possible. In particular, I asked my hosts to choose six villages for my field research: three that had experienced relatively high levels of out-migration, and three with relatively low levels of out-migration. In every other relevant sense (e.g. size, population, wealth), I asked that the villages be as similar as possible (with a nod to J. S. Mill). Table 2 introduces the six villages in terms of their most relevant characteristics. The first three villages in my sample (Nantai, Fanxi and Shenjing) were all located in the same town, and each of them had experienced significant levels of out-migration. The next three villages (Longzhuang, Bei Yang Lou and Xing Fu Lou) were spread out across the western part of the county; here, each village was located in a different town. The latter three villages were very different in terms of their chosen development strategies, and each had experienced different levels of out-migration. In short, this sample selection strategy provided a remarkable degree of variation, even if it was impossible to control (entirely) for the level of economic development across villages.

What I learned from these interviews and my visit can be boiled down to two general observations. First, it is clear that village officials do not see themselves as Tiebout-actors. Not a single interviewed official felt that out-migration represented a long-term threat to the village, and none of them felt that it was their responsibility to try and affect the rate of out-migration. As the CPC Secretary in Nantai Village put it to me, ‘We have no control or influence over the outflow of migrants, and we don’t want to have control over it. This is unnecessary.’18 These local officials explained out-migration in terms of the draw of opportunity they were entirely exogenous.19 Indeed, with the exception of one village, respondents felt that out-migration was beneficial for the local community.20 None of the respondents was worried about the supply of local labour, and each was reluctant or hesitant to consider a future point of time at which there might be too much out-migration. Actually, several village officials emphasized that their local labour needs were not particularly demanding. As the veteran financial official in Fanxi Village (with 28 years of experience under his belt) explained,

Young guys leave, but the village doesn’t worry about losing skills. Farming is simple. It doesn’t require special skills. Anybody can do the work of those that leave. They leave because they are poor: it is as simple as that. Village officials frequently pointed out that most of the migrants return home for the spring festival and to help with the harvesting. In addition, out-migration generates extra income for villagers, and this was seen as beneficial to the village — even if most of the interviewed...
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Table 2. Six village study.

<table>
<thead>
<tr>
<th>Villages</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Nanai</td>
<td>956</td>
<td>830</td>
<td>1262</td>
<td>1475</td>
<td>1072</td>
<td>862</td>
</tr>
<tr>
<td>2 Fanxi</td>
<td>-27.2</td>
<td>-30.1</td>
<td>-31.7</td>
<td>+28.4</td>
<td>-28</td>
<td>-20</td>
</tr>
<tr>
<td>3 Shenjing</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>4 Longhuang</td>
<td>6520</td>
<td>6310</td>
<td>6500</td>
<td>&gt;10,000</td>
<td>10,000</td>
<td>7000</td>
</tr>
<tr>
<td>5 Bei Yanglou</td>
<td>Farming</td>
<td>Farming</td>
<td>Farming</td>
<td>Industry</td>
<td>Farming/industry</td>
<td>Farming/industry</td>
</tr>
<tr>
<td>6 Xing Fu Lou</td>
<td>Farming</td>
<td>Farming</td>
<td>Farming/industry</td>
<td>Specialized agricultural development</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The information provided in rows 1, 2, 4, 5, 7, and 8 was derived directly from the interview subjects. The information in rows 3, 6, and 7 is based on more subjective interpretations of conditions and interview responses. For example, the Village poverty ranking (row 3) is derived by a subjective ranking of visible wealth in the village (e.g., the state of housing, village buildings, infrastructure, etc.). The wealthiest villages score a 6, the poorest score a 1. This ranking is independent of the reported income/capita given in row 4. Similarly, the Village development strategy (row 6) is derived from the villagers' description of recent developments—i.e., it is not an explicit response to a particular question. The final row (8) is my interpretation of a specific question, 'What do you see as the village's most important role?' It is important to note that village officials are locally elected and formally share the same responsibilities. Thus, all villages are — in effect — instruments of the state. See text and notes for elaboration.
province level) do not have the resources (or the motivation, yet) to try and equalize these differences.

In conclusion, this field work reveals an immense variation in community wealth, even within a given county, and the inability (or unwillingness) of higher levels of government to equalize these differences. Village, town and county officials do not feel like they have a mandate (or the resources) to level these radical differences in opportunity.

3. Conclusions

In this article, I have aimed to gauge the development effects of out-migration from China’s rural communities. To do this, I employed a Tiebout-inspired approach which would have us expect that local officials respond to citizen flight, or risk losing power and influence. While there are legitimate reasons to question whether such an approach lends itself to the Chinese context (given the nature of Chinese culture and politics), I have argued that it does offer a useful initial framework for studying the development effects of out-migration.

With this theoretical framework in place, I designed a research strategy that could navigate the tricky waters that constitute Chinese social science. This resulted in a two-tiered research design, where I search for the development effects in the data that are available (at the province level) and at the (village) level where it is reasonable to find the purported effects.

This two-tiered strategy is problematic, in that we end up examining different factors and effects at each of the two levels. At the province level, there could be many factors that might explain the observed change in a province’s HDI score and/or its public goods provisions. Given our theoretical priors, however, it is encouraging to find that provinces which have experienced the highest rate of out-migration, on average, also experienced the greatest improvement in indicators that capture subsequent broad-based development.

Unfortunately, the village-level interviews cannot confirm whether the relationship is driven by Tiebout-effects. This is because these interviews relate to different types of migration, different levels of analysis, and I cannot be certain that my selection of villages is representative of the larger Chinese context. More to the point, these village officials were not concerned about exit, and they did not feel like they were in a position to try and influence that out-migration.

On the other hand, the study does generate some very interesting findings, and these findings can be gathered under three distinct rubrics. First, and foremost, I found no evidence of Tiebout-effects in the attitudes of local (village) officials in China. This is interesting in at least two ways. First, this finding seems to contradict a growing consensus that China is nearing a Lewis Turning Point. Such a turning point implies that government officials will be more responsive to the social needs of their population. In this light, it is rather curious that I can find little evidence of labour shortages among village officials in a relatively wealthy and geographically well-positioned county.

Second, the absence of Tiebout-effects suggests that migration will continue as an important means for equalizing opportunities across villages — but it will do so by emptying unsuccessful villages of their residents (with little attempt by local officials to try and stave off the exodus). This may not be such a bad thing, if it frees up land and resources for more successful neighbouring villages — but it cannot be very comforting to migrants who trace their family roots to a particular village under threat. What we see in the countryside is the political equivalent of bankruptcy.

This research also revealed a distinct levelling-effect in the province-level data; those regions that are experiencing much out-migration seem to be acting as though they are responding to Tiebout-sorting. What is all the more interesting is that these responses are not related to subsequent economic growth. In short, there appears to be a unique, non-economic, development response being generated in those provinces that have experienced the highest levels of out-migration. As we did not find any evidence of Tiebout-effects in the village sample, we can only speculate about the possible explanation for this pattern. One possibility may be that the Tiebout-effect is occurring at a higher (county?) level, but is not evident at the village level (because of the lack of adequate response mechanisms).

Third, my interviews with rural officials suggest that there is a de facto Tiebout-effect occurring at the village level in China, but this effect concerns investments, not workers. Villages compete with one another to attract investments in their race to achieve greater economic growth, and these investments affect the level of opportunities across villages. These developments, in turn, influence the potential for future out-migration. While this type of competition may exist across provinces, I have not tried to capture it in the analysis.

In conclusion, we are left to wonder about why the results seem to differ across the two types (and levels) of analyses. I can think of three possible explanations, and I intend to close this piece by considering each, in turn.

First of all, it is entirely possible that this study is premature in the sense that there remains too much surplus labour at play in rural China. Until these pools of surplus labour begin to evaporate, we cannot expect local officials to appreciate the value of addressing its concerns. As one county-level official said to me, in passing: ‘Come back in a decade — I think you will find more of these effects then.’

An alternative explanation may be that Chinese political and institutional contexts do not lend themselves to Tiebout-effects, in that local officials have few incentives to respond to constituent dissatisfaction. Indeed, the country’s long-term emphasis on economic growth may have blinded local authorities to the need to supply better and more equal public services. While this explanation is plausible, my experience suggests that local officials are sufficiently concerned with constituent dissatisfaction, but that they lack the resources (and a clear political mandate) to respond effectively. In short, I suspect that here too, we are dealing with a question of when, not if. As mentioned at the outset, CPC officials at the highest levels have already recognized the need to prioritize social development. As it often takes time for these objectives to trickle down to the local level, we might expect local government officials to become more responsive to constituent demands in the future.

Finally, it may be that the village level is inappropriate for capturing these effects. This seems like the most likely explanation, as it can also be used to explain the variance in findings across levels of analysis. Future studies might focus on the county-level effects of out-migration on broad-based development. Although county-level studies would encounter many of the same difficulties found here at the village level — this seems to be the most reasonable direction in which to aim future research.

Acknowledgements

Sincere thanks go to my colleague and interpreter, Kang Liu; without his assistance, this project would not have been possible. I am also indebted to my Chinese hosts and interview subjects; their hospitality and sincerity are central to the success of this project. I also wish to thank Fang Cai, Kam-Wing Chan, Zhixin Zhang, Detai Zhou and Wen Zhou for advice and support along the way. Finally, I am very grateful for the economic support I received from the Globalization Programme at NTNU, as well as from my own department, in order to conduct the fieldwork. Obviously, any and all errors and omissions are the responsibility of the author.

Notes

1. More precisely, this is the size of China’s non-hukou population in urban areas. See Chan (2012b, pp. 4—5) for details.
2. For a brief introduction to the economic effects of internal Chinese migration and the supporting literature, see UNDP (2009), p. 52.

3. The one exception to this rule is the work by Rachel Murphy (2002) — which examines the social effects of out-migration in sending villages. While Murphy's work provides a fascinating glimpse into the experiences of a handful of villages in Jiangxi Province, her conceptual focus is very broad (concerning the impact on many different aspects of rural life: e.g. inequity, the organization of agricultural production, land transfers, spending patterns, marriage and gender relationships, etc.). This, and the limited size of her village sample, makes it quite difficult to extend her findings in a more general direction.

4. First proposed during the 2005 National People's Congress, the call to build a harmonious society can be seen as a shift from a one-sided focus on economic growth to a broader focus on social balance. In December 2007, China's then President - Hu Jintao emphasized the importance of urban-rural harmony. In 2007, China's then President - Hu Jintao emphasized the importance of building a harmonious society at the top of their agenda.

5. We might explain this character in terms of America's immigrant past, the insufficiencies of US welfare provisions, the need of a common currency area with inadequate fiscal transfers or a handful of other explanations. For the argument that follows, we do not need to explain why American labour is so mobile; we only need to recognize it as such.

6. Under this system, each household is granted an occupation category (agricultural or non-agricultural) and a place of residence (hukou). The hukou designates a person as either a peasant or an urban resident, and this designation provides access to locally provided social goods such as housing, education, health care, etc. See Chan (2012a) and Chan and Buckingham (2008) for details.

7. To do so, one could compare changes in the minimum wages offered in different provincial capitals, as the Lewis turning point is reached, the incentives driving government policy have changed. That is, the Chinese government's focus on stimulating economic growth in the reform period before the turning point has been shifting to supplying better and more equal public services, in general, and social protection, in particular.

8. Having said this, however, I hasten to add that the different types of migration (inter- or intra-province) matters less to the local village official as long as migrants return home to help harvest the crops.

9. As Fang Cai (2010c, p. 4) notes in a recent paper: "... as the Lewis turning point is reached, the incentives driving government policy have changed. That is, in the Chinese government's focus on stimulating economic growth in the reform period before the turning point has been shifting to supplying better and more equal public services, in general, and social protection, in particular." It is possible to employ a broader measure of out-migration (such as the percentage of the population living outside their registered place of residence), but these data are not available over longer periods of time.

10. The HDI offers a broad-based measure of human development that is related to economic development (access to goods), but also includes access to health and education. For an elaboration on how HDI is related to international migration, see UNDP (2009).

11. The table presents evidence of inter-province out-migration rates (i.e. it is limited to cases of migrants that have moved from one province to another). It is possible to employ a broader measure of out-migration (such as the percentage of the population living outside their registered place of residence), but these data are not available over longer periods of time.

12. The HDI offers a broad-based measure of human development that is related to economic development (access to goods), but also includes access to health and education. For an elaboration on how HDI is related to international migration, see UNDP (2009).

13. As migrants face unsavoury conditions, we need to provide for some sort of temporal control (so that we know that political officials are responding to the migration at time, not that the current conditions migrants are fleeing from (at time). Given the short time frame under consideration (because of data constraints), this is quite difficult to accomplish. But it is for this reason that I have tried to extend the dependent variables (e.g., change in HDI and social spending) further into the future (after 2005), when possible.

14. For introductions to village democracy in China, see O'Brien and Li (2000); Shi (1999); Wang (1997) and Li (2002). For an online bibliography, see http://newton.uoc.edu/Departments&Programs/AsianStudiesDep/China-rural.html.

15. I have kept the country, town and officials' names anonymous in the discussion that follows. Interested readers may contact me directly for the specific information to control for the validity of the information presented below.

16. In fact, after conducting the interviews described below it became clear that the migration experience in these villages were mostly intra-provincial (within the same province). Thus, the patterns revealed in this analysis cannot be transferred directly to the first analysis (which considered inter-provincial out-migration patterns).

17. All direct quotes are paraphrased, as they were translated quickly in the field. The exact quotes, in Chinese, are available by request (in video form).

18. One respondent in Fanxi village was more explicit, noting that the national authorities needed to make policies that can change or affect out-migration — not village officials like him, at the local level. Alternatively, the Town Agricultural Secretary for Xing Fu Lou Village emphasized that this was a family decision — not something that local authorities should be interfering with.

19. One exception, of course, was Longzhuang Village, which experienced cohort out-migration (no out-migration). The Director in Bei Yeqiu Village explained that the village benefited so much from out-migration that it offered help to young farmers with their farming obligations — in effect encouraging them to leave. She explained that out-migration improved the income potential for the village, and many returning migrants were willing to volunteer/donate funds in support of local village projects.

20. The one exception was Xing Fu Lou village, which had a vibrant local (village) market where migrant remittances were being spent.

21. There are subtleties here that require elaboration. As I have already noted, village officials are elected, so they enjoy some autonomy from the Party and upper-levels of government. At the same time, villages play a formal role in the central government's governing mechanism — they collect local information and revenues and dispense expenditures and support from the central government. Thus, villages share many common duties and responsibilities. But some villages also do more for their local constituents, and the capacity to do so depends on a number of variables, including financial capacity, environmental contexts and the personal capabilities of individual village officials.

22. We might explain this character in terms of America's immigrant past, the insufficiencies of US welfare provisions, the need of a common currency area with inadequate fiscal transfers or a handful of other explanations. For the argument that follows, we do not need to explain why American labour is so mobile; we only need to recognize it as such.

23. In 2007, China's then President - Hu Jintao emphasized the importance of urban-rural harmony. In 2007, China's then President - Hu Jintao emphasized the importance of building a harmonious society at the top of their agenda.

24. As Fang Cai (2010c, p. 4) notes in a recent paper: "... as the Lewis turning point is reached, the incentives driving government policy have changed. That is, in the Chinese government's focus on stimulating economic growth in the reform period before the turning point has been shifting to supplying better and more equal public services, in general, and social protection, in particular."

25. To do so, one could compare changes in the minimum wages offered in different provincial capitals, over time. But doing so would require a significant investment in data collection.

Notes on contributor

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