

### Focusing on Internal Migration: China's Migration Miracle and falling Global Poverty:

Wildau, Gabriel (2015) [China Migration: At a Turning Point](https://www.ft.com/content/767495a0-e99b-11e4-b863-00144feab7de), *Financial Times*, May 4<sup>th</sup> (send me an email if you have trouble accessing this article).

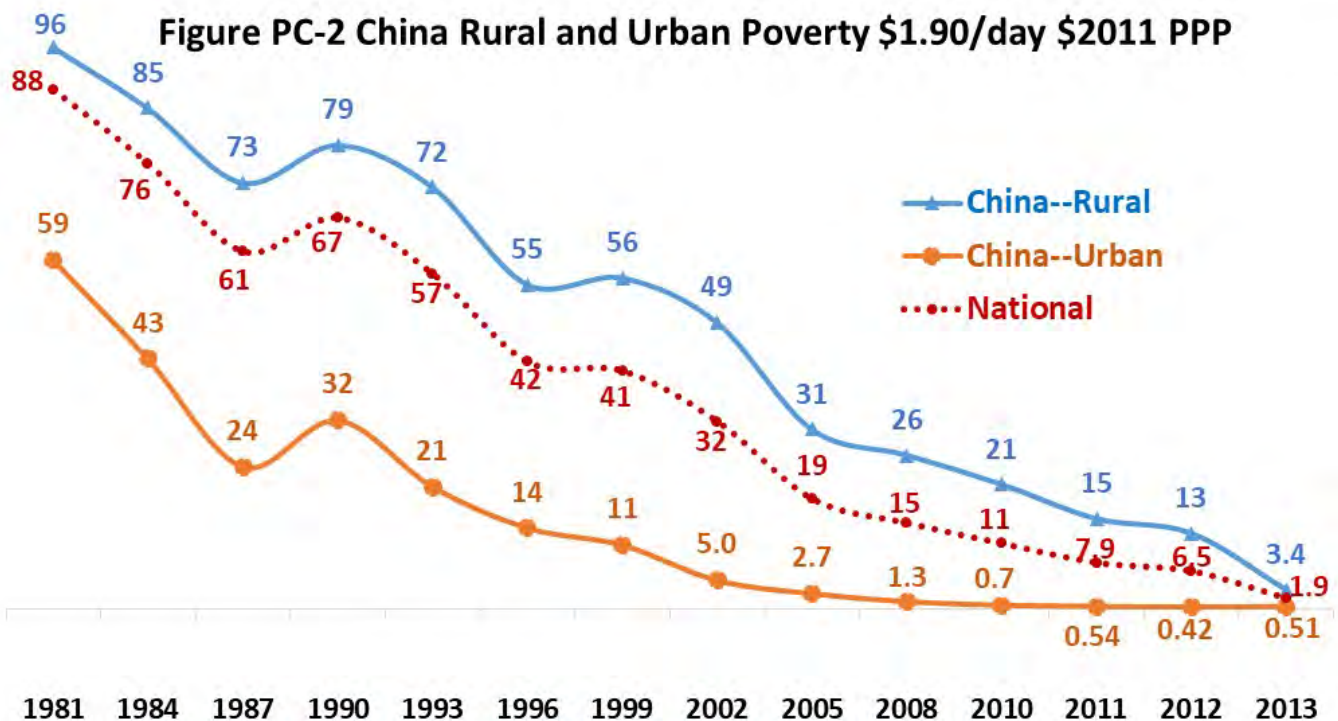
Paragraphs 3 to 5 describe what happened when [Deng Xiaoping](#) (the Li Jinping of his era) introduced the [household responsibility system](#) in 1978, “quotes:” “We should do more, and talk less.” “It doesn’t matter whether the cat is black or white, a long as it catches mice.” “Let some people get rich first.”

**P-3** China’s farm output soared in the 1980s as agricultural communes were dismantled. By allowing farmers to keep a portion of what they produced, Deng gave them incentive to boost their yields. But Guang’an’s hilly landscape was unsuitable for mechanized agriculture, blunting the gains from reform.

**P-4** “The land was bad. You could scrape at it the whole day but it was no use. People used to fight over a bit of fertiliser,” says Shen Xiaozhen, 77, recalling life in Guang’an after Deng’s reforms were introduced in 1978. “Outside you could earn more in a day than in a week back here. The money people sent back was important to our lives here.”

**P-5** “As a share of its population, Guang’an was the biggest contributor to China’s “migrant miracle”, three decades of breakneck economic growth underpinned by an unprecedented flow of labour from countryside to city, according to a *Financial Times* analysis of data from China’s 2010 census. Nearly a third of Guang’an’s 4.7m registered inhabitants no longer live here.”

Sources: [Max Roser Extreme Poverty](#) [Interactive](#) [Poverty 1820-2015](#) [Population in Poverty](#) [Without China?](#)



Source: PovcalNet (2016 Update); 2011 \$PPP ICP Prices, for the latest poverty data, see <http://iresearch.worldbank.org/PovcalNet/>



Leslie Chang: "Factory Girls" | Talks at Google

Chang, Leslie (2009) *Factory girls: From village to city in a changing China*. Random House Digital, NY. [Chapt 1/cover](#) [The Chinese Dream](#), [WSJ 11-8-2004](#) [Photos](#) [Min's Return 6-2005](#) [Ch 10 The Village](#) (my highlights)

Leslie Chang Youtube Talks videos (skip the ads...) Michael Anti July 2012 [China a SICK BRIC Country](#)

2013 CNC New China TV; [Factory Girls in a changing China](#), 10 mins Women's social mobility

2012 TED Talk, ["The voices of Chinese workers"](#) 14 minutes, Globalization: our stuff, their workers.

2008 Talk at Google Leslie Chang: "Factory Girls" | Talks at Google (see [minutes 42-44 on Hoku system](#). "An eye-opening and previously untold story, *Factory Girls* is the first look into the everyday lives of the migrant factory population in China. China has 130 million migrant workers—the largest migration in human history. In *Factory Girls*, Leslie T. Chang, a former correspondent for the *Wall Street Journal* in Beijing, tells the story of these workers primarily through the lives of two young women, whom she follows over the course of three years as they attempt to rise from the assembly lines of Dongguan, an industrial city in China's Pearl River Delta. A book of global significance that provides new insight into China, *Factory Girls* demonstrates how the mass movement from rural villages to cities is remaking individual lives and transforming Chinese society, much as immigration to America's shores remade our own country a century ago. Leslie T. Chang lived in China for a decade as a correspondent for the *Wall Street Journal*. She is married to Peter Hessler, who also writes about China. She lives in Colorado. This event took place October 9, 2008 [Peter Hessler, 2012 Country Driving](#) middle class driving on China's new roads...

**Lu Qingmin's (aka "Min") Job History in Dongguan, China**

Job Description	Wage	\$per hr <sup>3/</sup>	Hours/days	# Roomates	\$PPP/month <sup>3/</sup>	\$ppp/hr. <sup>3/</sup>
Factory floor assembly	\$50-80/month	\$0.19	14hs/7days	12	\$272	\$0.65
Clerk machine records	\$100/month	\$0.33	10hrs/7days	8	\$340	\$1.13
Human resources <sup>1/</sup>	\$135/month <sup>2/</sup>	\$0.50	8hrs/6days	4	\$459	\$2.30
<i>1/ record keeping &amp; hiring 2/ after 3 months 3/ not including room and board, using 3.4 ppp factor.</i>						

HW Questions:

LDQ 8.1 When Min's mother says we "treat our daughters like sons" what does she mean? How much do Min and her sister send home each year? What do their parents say they use the money for? Compared to the families income of \$240 annually for their annual harvest, how much does their income increase? Assuming 130 million migrant workers

LDQ 8.2 How did China's Hukou system affect migrants, according to Leslie Chang (see the last 10 minutes of her Google talk). Why are workers returning to the villages? What has happened to wages in China? Poverty has fallen dramatically, what about inequality (povcalnet does not have data, but,,)

**Figure 1 Income Inequality in China, 1981–2012**



Sources: Gini coefficients for the years 1986–2001 are from Ravallion and Chen (2007), 2002 from Gustafsson et al. (2008), 2003–2012 from the National Bureau of Statistics.

The Lewis Model: [China migration: At the turning point](#)

Das, Mitali, and Mr Papa M. N'Diaye (2013) [Chronicle of a decline foretold](#): Has China reached the Lewis turning point?. No. 13-26. International Monetary Fund. See page 4

Figure 1.A. What is the Lewis Turning Point?

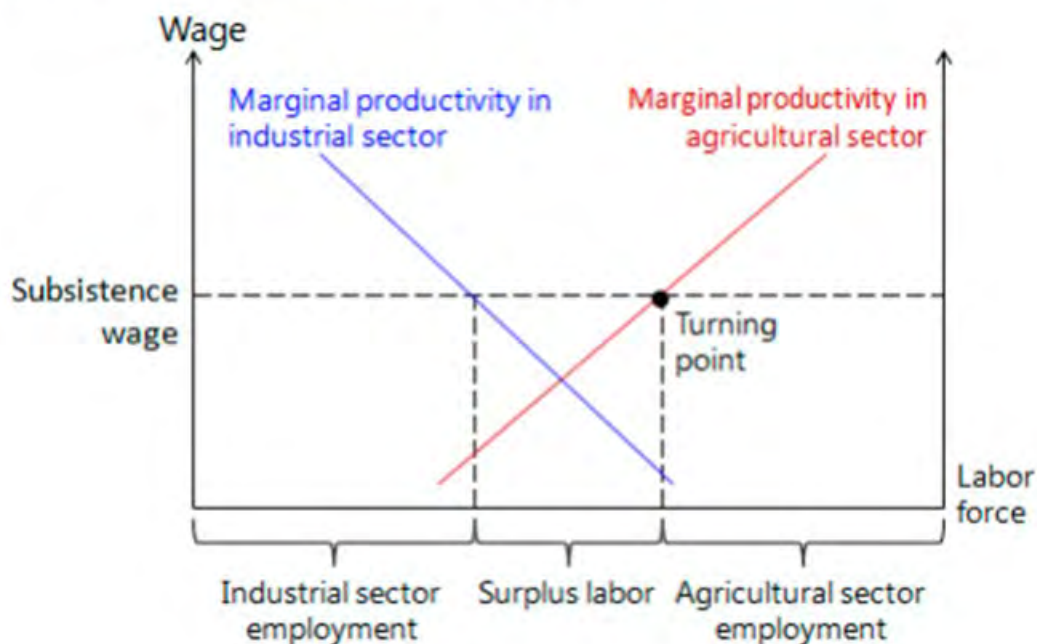
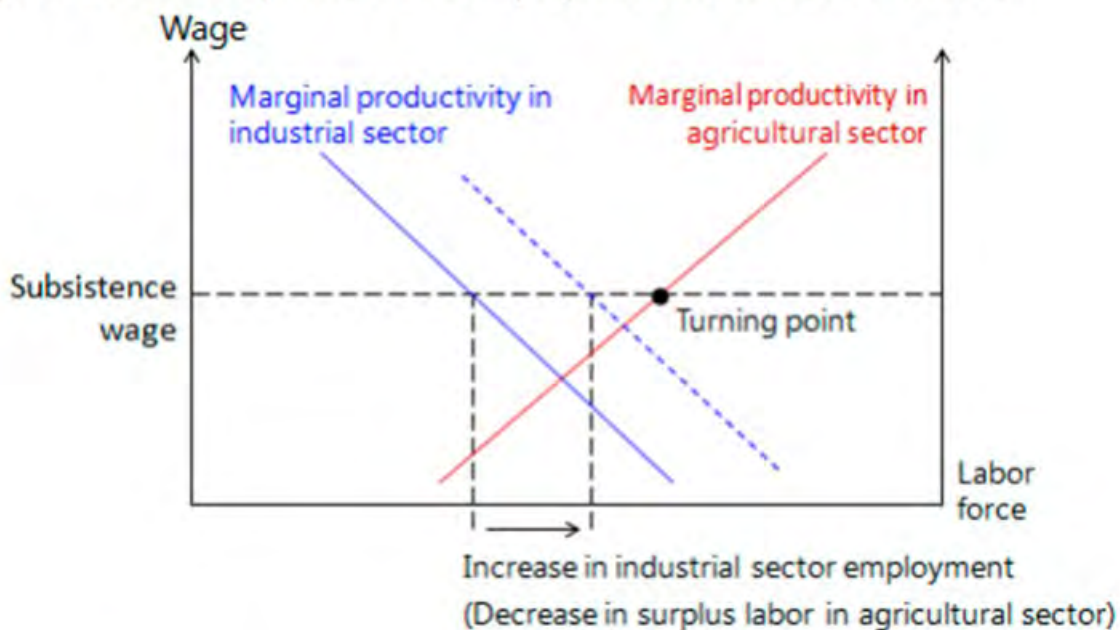


Figure 1.B. Economy Where Full Employment has not Been Achieved

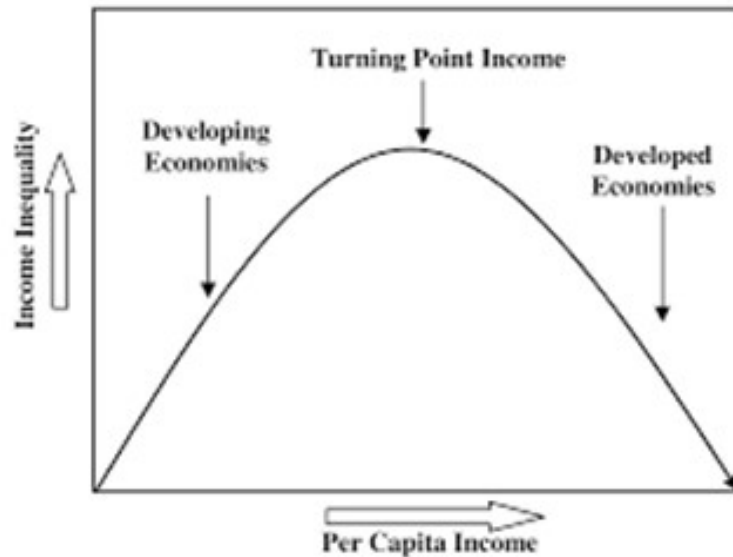


Source: Kwan (2007).

[Source: Das and N'Diaye \(2013\) page 4](#)

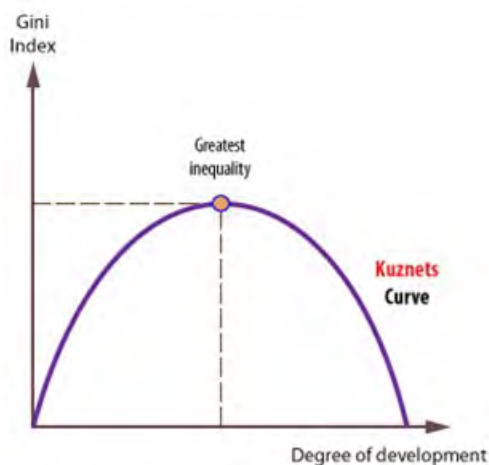
Gollin, Douglas. 2014. "The Lewis Model: A 60-Year Retrospective." *Journal of Economic Perspectives*, 28 (3): 71-88. DOI: 10.1257/jep.28.3.71 <https://www.aeaweb.org/articles?id=10.1257/jep.28.3.71>

See also the Kuznets curve:



## The Kuznets curve

The greatest inequality can be observed as countries 'take-off' in their development, leading to considerable wealth creation for the few, who quickly gain from development relative to others.

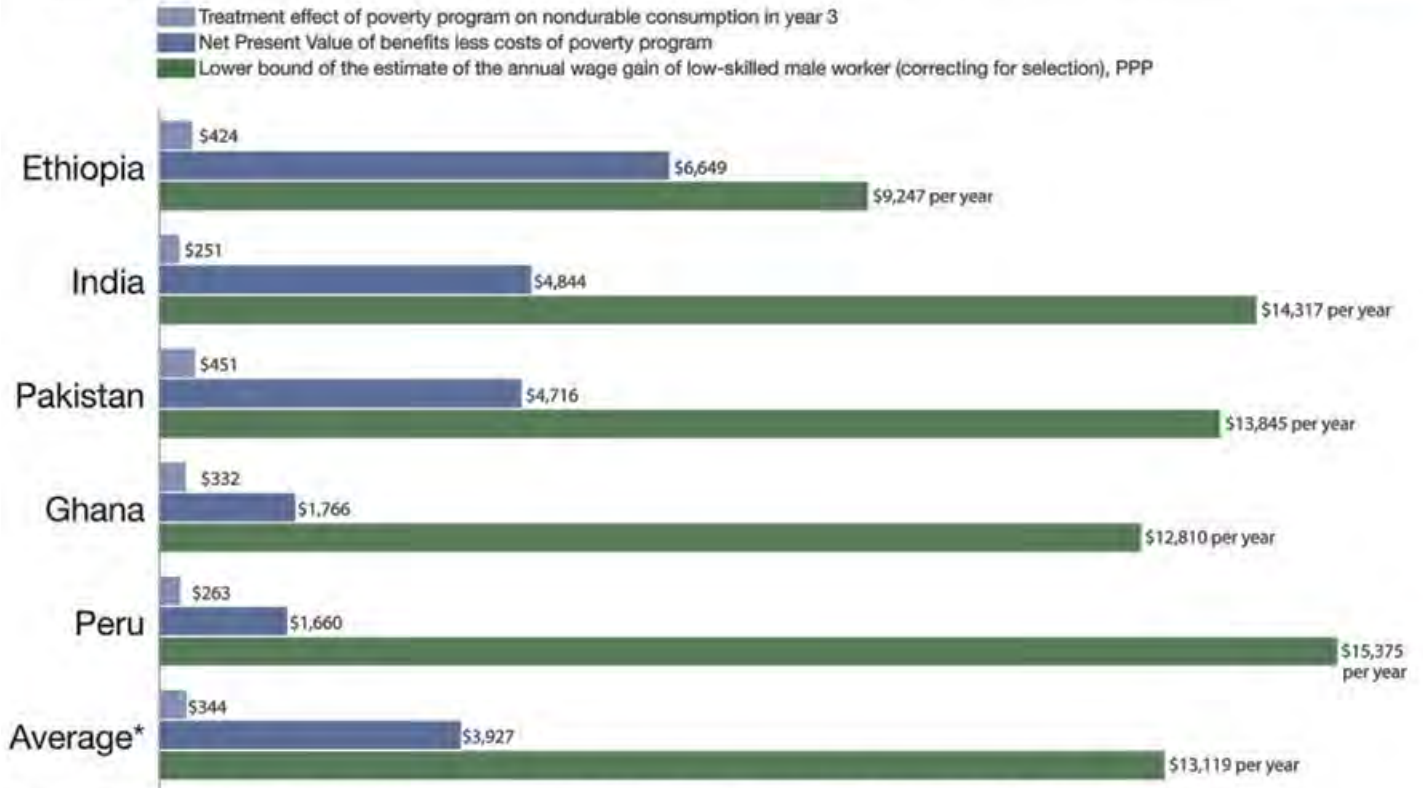


At low levels of development in a *pre take-off* phase, the majority of the population will work on the land and be relatively poor, with only a small gap between rich and poor. As the economy takes-off, some individuals will gain considerably, relative to others, as in the case of Russia's super rich followed by Russia's growing middle class. These groups will exploit their advantage and open up a considerable gap between themselves and the poorest groups.

Source: [Economics Online, News Comment Theory UK](#) (also discusses of the Gini coefficient and Index)

# Gains from multifaceted anti-poverty program vs. gains from emigration to the US Our World in Data

The anti-poverty program that has six elements: (1) a productive asset transfer, (2) consumption support, (3) technical skills training, (4) high frequency home visits, (5) a savings program, (6) some health education. The program was evaluated in six country sites and was evaluated using a randomized control trial (RCT).



The idea for this visualization is from [Pritchett \(2016\)](#) – The Least You Can Do for Global Poverty is Better than the Best You Can Do. Published on the CGDev website.  
 Data sources: Banerjee, Duflo et al (2015) in Science for the RCT result and Clemens, Montenegro and Pritchett (2016) for the emigration gains (Working Paper at CGDev).  
 \*The Average and the entire visualisation excludes Honduras  
 This data visualization is available at [OurWorldinData.org](#). There you more visualizations and research on this topic. Licensed under CC-BY-SA by the author Max Roser.

PBS news hour “downgrading” example [April 11<sup>th</sup> 2018. 44 minutes](#)



“Once a star in his native Ethiopia, Hailu Mergia has lived in an around Wash DC for 35 years, driving a taxi... now back NPR’s world café...”



Often parents sacrifice for children, relative social mobility is when children doing better than their parents, while absolute social mobility is when

1. [“Moving to opportunity” \(MTO\) Programs analyzed](#) by [Chetty et al. 2016](#) See Big Data Course Lecture 2, last 10 minutes,
2. In China’s migration children migrate and send remittances back to the country side to keep younger siblings in school (how much to Min and her old sister Guimin send \$600 a year back to family, parents pay younger siblings tuition they stay in school longer... does this live their family of 9 out of poverty \$1.9/day.
3. [MPESA access to remittances and financial control](#) for women raises their income and creates opportunities to choose when and who to marry... reduces poverty and occupation of women
4. [Lean Season Migration](#): Mubarak, Bangladesh (see also his Garment workers study... what happens to families that live near garment factory cities?

Lean season migration experiment: distribute \$18 round trip bus tickets to residents in Northern Bangladesh



Three hundred million of the world’s rural poor suffer from seasonal income insecurity, which often occurs between planting and harvest when the demand for agricultural labor falls and the price of food rises.<sup>1</sup> Those who undergo a lean season typically miss meals for a two- to three-month period. This is especially problematic for pregnant women and young children since poor nutrition for even a short time can limit long-term cognitive and physical development. Seasonal hunger and deprivation is perhaps the biggest challenge to the reduction of global poverty that has remained largely under the radar.

### Key Findings

Providing an incentive to households to send a seasonal migrant had the following impacts<sup>2</sup>:

- **30-35 percent increase in food and non-food expenditures** for households who accepted the incentive and sent a migrant.
- **550-700 more calories consumed** per person per day, equivalent to an extra meal per person for households who accepted the incentive and sent a migrant.

## The Long-Term Effects of Access to Mobile Money in Kenya

There are an estimated 411 million mobile money accounts worldwide, allowing even the poor in remote areas to send and receive money at low cost. How access to this financial tool affects long-term financial well-being, however, is not well understood. In Kenya, IPA worked with researchers to track the economic progress of households as the M-PESA mobile money service expanded over six years. In areas where M-PESA became more accessible, women were more likely to switch from farming to business occupations and to save more. Overall, an estimated 185,000 women changed occupations, and 194,000 households, primarily female-headed households, were lifted above the poverty line.

### **Policy Issue**

How access to mobile money affects the poor's long-term financial well-being remains largely unknown. Previous research from Kenya has shown that in the short term, households with access to the M-PESA mobile money system and could receive remittances were better able to weather economic shocks, improving their financial resilience. Other research has shown that easier access to money may have different impacts on men compared to women. However researchers do not yet know what impact simple access to mobile money services does for households in the long term.

### **Context of the Evaluation**

The M-PESA mobile money service, which allows users to send and receive money via a simple SMS message, was introduced to Kenya in 2007 and spread rapidly. Later, other financial services, such as access to savings and credit were also made available through the service. M-PESA is used by at least one person in 96 percent of Kenyan households, who can deposit and withdraw money from their accounts through a network of local agents. In 2014 there were 110,000 mobile money agents in the country, but only 2,600 Automated Teller Machines (ATMs).

### **Details of the Intervention**

Researchers worked with Innovations for Poverty Action to measure the economic impact on Kenyan households over time as M-PESA agent networks expanded across the country. In areas designed to be representative of the country, excluding one sparsely populated northern region, five rounds of household surveys were conducted between 2008 and 2014. M-PESA expansion happened on its own and could not be randomized. Rather, the change in numbers of M-PESA agents in local areas between 2008 and 2010 was measured. The change was then compared to 2014 economic outcomes of surveyed households in each area.

### **Results and Policy Lessons**

In areas where M-PESA expanded more, the numbers of households living in poverty dropped, driven primarily by female-headed households. The drop was accompanied by a shift in women's occupations from subsistence farming to business and retail occupations and a boost in savings.

*Consumption:* Poverty (defined as those living on less than \$2 per day) and extreme poverty (living on less than \$1.25/day) both dropped, driven primarily by female-headed households. For female-headed households, an area which went from zero to six M-PESA agents would have 22% fewer female-headed households living in extreme poverty than an area of the same size in which no new agents entered during the same time period (43.3 percent versus 34.1 percent). Similarly there was a 13 percent drop in those living on \$2 day (66.6 percent to 58 percent) for female-headed households. There was no corresponding drop for male-headed



households. Based on the sample, the researchers estimate 194,000 households nationally were moved above the poverty line.

*Savings:* Female-headed households in an area which went from zero to 6 M-PESA agents reported 22 percent higher financial savings than an area with no increase in M-PESA agents.

*Occupational choice:* Women in areas where numbers of M-PESA agents grew were more likely to change occupations from farming to business and retail sales, regardless of whether they lived in male-headed or female-headed households. Based on the sample, the researchers estimate 185,000 women switched occupations as M-PESA expanded in their local area. Access the full *Science* paper from the link [here](#).

## References

Suri, Tavneet, and William Jack. "[The long-run poverty and gender impacts of mobile money.](#)" *Science* 354, no. 6317 (2016): 1288-1292.

<http://fortune.com/2016/12/10/mobile-banking-poverty-research/>

<https://www.poverty-action.org/printpdf/29466>

VOX; Migrant Caravans,

<https://www.vox.com/policy-and-politics/2018/4/6/17206042/caravan-mexico-trump-rape>

MigrationvsAntiPoverty.JPG

<https://ourworldindata.org/extreme-poverty>

<https://ourworldindata.org/wp-content/uploads/2017/01/Anti-Poverty-Programs-vs-Migration.png>

<https://www.poverty-action.org/printpdf/29466>

Quasi-experimental Analysis

<https://www.poverty-action.org/country/kenya/studies>

Factory Girls talk at Google 2008 <https://www.youtube.com/watch?v=NhcqoxNhrSY>

<https://www.youtube.com/watch?v=NhcqoxNhrSY>

China news service 2013 10 minutes (CNC) More social mobility for women, office jobs

[https://www.youtube.com/watch?v=6s\\_Fb6mgiK0](https://www.youtube.com/watch?v=6s_Fb6mgiK0)

Vietnamese refugee <https://www.youtube.com/watch?v=hCop3IGZH2o>

<https://youtu.be/hCop3IGZH2o>

<https://www.poverty-action.org/study/long-term-effects-access-mobile-money-kenya>

[New China TV](#)

Published on Apr 16, 2013

SUBSCRIBE 187K [https://www.youtube.com/watch?v=6s\\_Fb6mgiK0](https://www.youtube.com/watch?v=6s_Fb6mgiK0)

In "Factory Girls," former Wall Street Journal reporter Leslie Chang unravels the stories of young women working in the southeastern factory town of Dongguan, just north of Hong Kong. The story follows Min and Chunming, who share their perspectives and feelings. The young migrants, who are often represented as a faceless mass, become intricate and ambitious personalities through Chang's reporting. Their experiences embody the rapidly changing China.

An eye-opening and previously untold story, *Factory Girls* is the first look into the everyday lives of the migrant factory population in China. China has 130 million migrant workers—the largest migration in human history. In *Factory Girls*, Leslie T. Chang, a former correspondent for the *Wall Street Journal* in Beijing, tells the story of these workers primarily through the lives of two young women, whom she follows over the course of three years as they attempt to rise from the assembly lines of Dongguan, an industrial city in China's Pearl River Delta. A book of global significance that provides new insight into China, *Factory Girls* demonstrates how the mass movement from rural villages to cities is remaking individual lives and transforming Chinese society, much as immigration to America's shores remade our own country a century ago. Leslie T. Chang lived in China for a decade as a correspondent for the *Wall Street Journal*. She is married to Peter Hessler, who also writes about China. She lives in Colorado. This event took place on October 9, 2008

<https://www.amazon.com/Factory-Girls-Village-Changing-China-ebook/dp/B001FA0URC>

Household Registration System... 2009

<https://youtu.be/NhcqoxNhrSY?t=1308>

<https://www.poverty-action.org/study/long-term-effects-access-mobile-money-kenya>

Leslie T. Chang: Ted talk: The voices of China's workers

<https://www.youtube.com/watch?v=Bc2wVyl8RLI>

In the ongoing debate about globalization, what's been missing is the voices of workers -- the millions of people who migrate to factories in China and other emerging countries to make goods sold all over the world. Reporter Leslie T. Chang sought out women who work in one of China's booming megacities, and tells their stories.

<https://www.amazon.com/Factory-Girls-Village-Changing-China-ebook/dp/B001FA0URC>

<https://ourworldindata.org/wp-content/uploads/2017/01/Anti-Poverty-Programs-vs-Migration.png>

<https://ourworldindata.org/extreme-poverty>

China's 'migrant miracle' nears an end as cheap labour dwindles May 4<sup>th</sup> 2015

<https://www.ft.com/content/211df974-ee47-11e4-98f9-00144feab7de>

China migration: At the turning point

<https://www.ft.com/content/767495a0-e99b-11e4-b863-00144feab7de>

Gollin, Douglas. 2014. "The Lewis Model: A 60-Year Retrospective." *Journal of Economic Perspectives*, 28 (3): 71-88. DOI: 10.1257/jep.28.3.71 <https://www.aeaweb.org/articles?id=10.1257/jep.28.3.71>

Das, Mitali, and Mr Papa M. N'Diaye (2013) [Chronicle of a decline foretold](#): Has China reached the Lewis turning point?. No. 13-26. International Monetary Fund. <http://www.rrojasdatabank.info/chinalewis9.pdf>

Leslie Chang discusses Hukou system... <https://youtu.be/NhcqoxNhrSY?t=2348>

<https://youtu.be/NhcqoxNhrSY?t=2067> migrant men construction, women & social mobility

<https://www.youtube.com/watch?v=NhcqoxNhrSY&t=38s>

Where is Walmart Unionized... Danwei.com Chinabeat Expectations

Al Jazeera End of China out of assembly by 25 101 East September 2016

[https://www.youtube.com/watch?v=nGHmk4UeK\\_w](https://www.youtube.com/watch?v=nGHmk4UeK_w)

Factfulness: Ten Reasons We're Wrong About the World--and Why Things Are Better Than You Think Hardcover – April 3, 2018 **Factfulness**

[https://www.amazon.com/dp/1250107814/ref=as\\_at?creativeASIN=1250107814&linkCode=w50&imprToken=ljpkN2iQQ1N9sOgSwpLXg&slotNum=0&tag=timecom-20\\*](https://www.amazon.com/dp/1250107814/ref=as_at?creativeASIN=1250107814&linkCode=w50&imprToken=ljpkN2iQQ1N9sOgSwpLXg&slotNum=0&tag=timecom-20*)

Jack, William, and Tavneet Suri. "Risk Sharing and Transactions Costs: Evidence from Kenya's Mobile Money Revolution." *The American Economic Review* 104, no. 1 (2014): 183-223.

<http://fortune.com/2016/12/10/mobile-banking-poverty-research/>

The long-run poverty and gender impacts of mobile money

**Tavneet Suri and William Jack<sup>6</sup>**

*Science* 09 Dec 2016: Vol. 354, Issue 6317, pp. 1288-1292 DOI: 10.1126/science.aah5309