Introduction

SINCE the early 1980s, over 100 million Chinese farmers have left their native villages to work as itinerant laborers and traders in the cities. They form the largest peacetime movement of people in history. To the consternation of the state, there are even more potential migrants; officials estimate that an additional 130 million rural people lack sufficient land or employment to guarantee their livelihoods.[1] The majority of migrants are from poor rural areas of the interior provinces, which are predominantly agricultural and have low levels of economic diversification. These migrants are highly visible in the cities: at railway and bus stations, on construction sites, in markets, on street corners, and in queues at postal money transfer counters. A rich body of literature discusses the situation of the migrants in the cities. However, far less is known about the impact of out-migration, remittances, and return on those living in the countryside.[2]

The impact of rural–urban labor migration on the Chinese countryside is dramatic not only because of the vast numbers of people who are affected, both directly and indirectly, but also because it is a relatively new phenomenon. Owing to economic planning and restrictions on mobility during the Maoist era (1955–1978),[3] Chinese villages were isolated for more than twenty years. Since then there have been fundamental changes, including the rise of labor and commodity markets. It is becoming clear that migration establishes linkages between rural and urban areas, allowing return flows of people, skills, capital, commodities, and information. Migration therefore has immense potential to transform the countryside, particularly those areas that are relatively distant from cities and other agents of information transfer and change.

Through migration and return flows, rural households and villagers operate within a social and economic environment that encompasses the village and the city. The rural households and the migrants depend on both urban wages and the security provided by subsistence farming. Structural features of the political economy[†] – for example, low wages, job insecurity, social prejudice, and

[†] I use the term *political economy* to mean patterns of resource allocation and aggregate economic activity as determined by social and political arrangements. These arrangements include

legal restrictions on rural mobility – prevent the integration of migrants into cities. At the same time, the psychological and economic security offered by the home village underpins the belief of migrants and their families that a permanent return to the countryside is inevitable. This conviction causes migrants to maintain a stake in the origin community by sending money, letters, and gifts and by making regular visits home.

Since 1995, approximately one third of the "floating migrant population" from China's interior provinces have been returning from cities to resettle in their native homes. Return migration is influenced by a range of factors, including urban unemployment, illnesses and industrial accidents, and obligations to family in the village, as well as marriage, pregnancy, deaths, and other life-cycle events. Some migrants return home with the intention of re-migrating as soon as they have dealt with a certain matter in the village. Others return home and take steps to resettle with the intention of staying permanently. Most of these individuals return to farming the land, although some work locally off the farm or even set up businesses. Of course, those returning for temporary visits may end up remaining in the village, and those who intend to resettle may eventually re-migrate.

The state, at its various levels, formulates policies aimed at maximizing the benefits of migration while minimizing the negative consequences. It envisages a role for migration and return flows that involves enriching human resources in the countryside and promoting local economic development. Rural households are urged to use their remittances for the purposes of agricultural production. Furthermore, the state makes strenuous efforts to direct migrant resources toward rural industrialization and rural "townization." These rural enterprises and towns form part of a national modernization agenda designed to ameliorate the sharp divide between the village and the city, absorb surplus rural labor, improve rural livelihoods, and stem the exodus of farmers to the cities. However, as shown in Chapter 1, migration scholars are generally skeptical about the capacity of returnees to innovate elsewhere in the world. The state also attempts to minimize the negative consequences of migration through initiatives to mitigate the destabilizing impact of unemployed migrants who periodically return *en masse,* interventions to protect the welfare of injured or ill migrants, and administrative measures to control the fertility of migrants.

the nature of political power, government policy, the organization of production, the class structure of society, the position of women, and prevailing ideologies and moral values. In this book I am primarily concerned with arrangements shaping the unequal relationship between people from rural versus urban and agricultural versus industrial sectors.

THE FIELDWORK

In order to examine how labor migration and return flows are changing the Chinese countryside, I conducted seventeen months of fieldwork in China. My fieldwork encompasses the whole environment in which migrants and their families operate, from the home villages through rural towns and county seats to the destination areas. This is because it is impossible to understand labor mobility and social change by conducting observations that are narrowly circumscribed in time and place.

Because the focus of the study is on the impact of migration on the origin areas, I conducted most of the fieldwork in the counties of Wanzai (Yichun prefecture) and Xinfeng and Yudu (Ganzhou prefecture), all located in the hill country of Jiangxi province. This in-depth qualitative research has enabled me to investigate the social, economic, and spatial structures within which migration and return take place. As de Haan notes, the causes of labor migration and the outcomes for the origin areas depend on context.[4] The comparisons facilitated by working in three counties prevent the assumption that particular features of the observed processes are universal, and they allow generalizations about the impact of return flows on origin areas to be made with greater confidence.

I conducted the fieldwork in Wanzai county from December 1996 to March 1997 inclusive, making additional visits in early September 1997, late December 1997, and February 1998 and then returning to the county briefly in December 2000. Longer-term migration from Wanzai did not commence until the early 1990s, so I was able to observe social and economic change in villages that were in the initial stages of participation in urban labor markets. A substantial part of my time in Wanzai was spent interviewing 138 rural households, 102 of which had migrant members. This provided material for examining the impact of migration and the return flow of money, commodities, and ideas on inter-household inequalities, the reorganization of agricultural production, and rural spending patterns. Wanzai officials permitted me to live in the villages for three to four days a week and asked village cadres to help me with conducting the interviews. The cadres accompanied me for most of the formal interviews in Wanzai, and their presence greatly assisted my entry into village society. Similarly, researchers who have conducted fieldwork in other developing countries have stressed the invaluable assistance of local guides.[5]

I chose Xinfeng and Yudu as fieldwork sites because they have received widespread media publicity in China for the role of returned migrants in creating businesses. The primary interviewees in these counties are 85 returnee entrepreneurs. Migration from Xinfeng and Yudu commenced in the early 1980s,

so there has been sufficient time to produce a return flow of entrepreneurial migrants. Although there are similarities between the two counties, the differences between them in terms of natural resources, infrastructure, local policy, and the occupational specialization of the migrants have led to differences in the types of enterprises established by returnees.

Research in Xinfeng was organized through an exchange between the Australian and Chinese Academies of Social Sciences (CASS) in June 1997; CASS entrusted the Jiangxi Academy to help with arranging the fieldwork. Academy scholars Mr. Liu and Mr. Fan helped enormously in the interviews, opening up new avenues of inquiry, contributing ideas, and acting as valuable mediators between myself and county officials.

Yudu county was chosen through a fortuitous series of events. After reading articles in the Shanghai evening paper about the role of the Yudu government in using labor export as a tool for poverty relief, I contacted the Yudu Labor Export Company in Shanghai and asked to talk to some of their workers. They welcomed me and allowed unaccompanied access to the dock workers' dormitories. Many of the workers related to me stories of returnee entrepreneurs to their county. The leaders of the labor export company and the Shanghai Academy of Social Sciences were helpful in establishing contact with officials in Yudu county to arrange the fieldwork visit, which lasted from late September to early December 1997. In Yudu I also interviewed households in Jiaocun village (in Xinbei township), which was the home of several migrant dock workers whom I talked with in Shanghai. Officials in Yudu were generous in granting my request to live in the countryside. I either commuted to the villages from the county guesthouse or, in more remote townships, stayed in the local government offices. Hosts used a sheet at the window, a flask, an enamel basin, and a plank bed to fashion a homely room out of offices. This arrangement allowed for informal interaction with township and village cadres. Throughout my time in Yudu I was accompanied by an official from the Office of Overseas Chinese Affairs. He was well known and liked in the Yudu countryside; as his official job did not involve sensitive work like collecting taxes, his presence at the interviews and his knowledge of the county were tremendously helpful.

Return migrant entrepreneurship is by no means common to all of rural China. Where relevant, I illuminate the distinguishing features of return migration to Xinfeng and Yudu with comparative evidence drawn from localities where, despite substantial out-migration, the incidence of returnee entrepreneurship has been minimal. This material was gathered when I lived in Wanzai and other rural areas in Yichun prefecture (the first two weeks of July 1997 in Fengxin county; the month of April 1997 in Fengcheng county).

The interviews with the rural households and returned migrants were semi-structured in that I started with basic questions about migration and livelihoods and then allowed the conversation to evolve. As Jan Breman observed, successful interviews never work in exactly the same way. This is because each new informant offers the opportunity to test the validity and relevance of the information already obtained while also permitting the researcher to add new elements to it.[6] Since interviewees were generally reluctant to discuss money, these questions were left until the end.

Researchers have argued against producing a pen and notebook during interviews because they might impede communication.[7] However, as many of the interviews were public events with my official guides sometimes taking their own notes, the respondents were always conscious of being interviewees. Hence there was no disadvantage to producing my notebook. On the contrary, interviewees helped to record the information by writing down the Chinese characters for place names and special terms that I did not understand.

I supplemented the information from the interviews with participant observations recorded in a personal journal of impressionistic accounts of the fieldwork. For example, I regularly watched the county television news and wrote down relevant information. I also traveled on the long-distance buses between the counties and the coast. These journeys provided me with the opportunity to chat with migrants about their feelings as they left for the city or returned home.

During the course of this fieldwork I have spoken with a range of people who are involved in or affected by rural–urban migration. These include migrants returning for Spring Festival or other life-cycle events, labor exporters and recruiters, post office personnel, credit cooperative managers, bus depot managers, journalists and academics, and officials at the levels of prefecture, county, township, and village. Other perspectives on the migration process come from interviews conducted with migrants and municipal authorities in Shanghai from September to October 1996, in August 1997, and during subsequent brief visits. I also made two brief visits to Nanhai at the end of 1997 to get a sense of the factory districts and to chat with migrant workers.

The interview material is integrated with the analysis of primary Chinese documents. County- and township-level data include government surveys of labor export, local government policy reports and work summaries, the county almanacs, and local gazettes. Additionally, Chinese academic journals as well as national and provincial newspapers provide a background for the interpretation of the micro-level data. The present study is the outcome of my efforts to integrate these numerous conversations, observations, and documents. This multifaceted and multilocal approach is necessary for studying the macro processes of labor migration and socioeconomic change.

THEORETICAL APPROACH

The concerns and assumptions that frame the empirical inquiry are made explicit through a critical review of the broader migration literature in Chapter 1. The discussion begins by analyzing modernization and structuralist theories; these two approaches to migration divide economies and spaces into modern urban cores and traditional rural peripheries, and they are influential in shaping policies pertaining to migration and origin areas in China and elsewhere. An analysis of these core–periphery theories is valuable for understanding the resource characteristics of origin and destination areas and for presenting contrasting perspectives on the role and outcomes of migration and return in distributing these resources. They also elucidate the macro-level processes and rural–urban interactions that both shape and are shaped by the livelihood strategies of villagers. These approaches – their insights and weaknesses – provide a useful starting point for the alternative framework developed here.

The book focuses on the interactions among social actors, values, goals, and resources. For now I offer only a brief explanation of these four concepts. *Social actors* are individuals and collective entities such as households or the state. *Values* are the meanings that these actors give to attributes and actions; they inform *goals* (i.e., what people want to do, become, feel, or own) and also define acceptable pathways to those goals. *Resources* are the tangible materials and the intangible sources of support that social actors obtain and deploy in attaining their goals. Social actors form and pursue goals by using and reconstituting values and structures of resource distribution.

Various kinds of interactions among actors, values, goals, and resources are important when analyzing how migration is changing the countryside. Social actors use migration and return to exploit opportunities created by the state's modernization agenda in order to pursue their own goals. This involves circumventing the structural features of the political economy that restrict their capacity to attain goals. In particular, they struggle with urban employers, rural cadres, and family members to acquire and deploy cultural and economic resources from both the countryside and cities. Through migration, values and resources from the city interact with values internal to the village, giving migrants and returnees a broadened "perspective"[8] that informs subsequent goals. At the same time, by enabling individuals to obtain more resources, migration affords them greater leverage in their bargaining with family members and other actors in rural society. Many are using their resources and pursuing their objectives in ways that are socially and economically transforming the countryside. Through the continual feedback among actors, values, goals, and resources, migration and return become institutions within the village – institutions in which both migrants and nonmigrants participate.

My attention to actors, values, goals, and resources is a response to recommendations of migration scholars to combine the macro-level study of labor mobility with micro-level research into individuals pursuing opportunities while struggling against structural constraints.[9] By considering the longer-term formation of goals and the role of social actors in using and reproducing the values and resources in their environment, this research method is a way of moving beyond models that explain migration as a short-term response to environmental stimuli. The framework is also an attempt to avoid the tendency of reducing the dramatic human experience of migration to the sorts of abstract models that characterize much of the existing literature. Accordingly, the following chapters offer an explanation of change that centers on the interdependency between (1) the aspirations, hardships, and strategies of the migrants, returnees, their family members, and cadres, and (2) the wider cultural, political, and economic environment.

OUTLINE OF THE STUDY

The study is organized into chapters as follows. Chapter 1 reviews the relevant literature and develops the theoretical framework already discussed. Chapter 2 lays out the geographical and institutional setting of the research. This serves two purposes: first, to introduce the reader to Wanzai, Xinfeng, and Yudu; second, to consider the changing position of petty commodity producers in Jiangxi province and the fieldwork counties within the context of nationwide transition. The discussion focuses particularly on the historical and structural environment in which the farmers use migration and return as strategies for acquiring resources and attaining goals; the ways in which these strategies precipitate shifts in state programs for socioeconomic development at county, provincial, and national levels; and the responses of rural people to those shifts.

Chapters 3 and 4 draw on material from household surveys conducted in two villages in Gaocheng township, Wanzai county. Chapter 3 explores the impact of migration on resource allocation and inequality and on the ways in which migration precipitates a redistribution of money, labor, and land within households, among households, and between the rural populace and the local state. In particular, the chapter examines how migration influences three existing areas of inequality: resource acquisition by families and resource distribution within families; access to off-farm earning opportunities as a result of differential access to local social and political networks; and the allocation of land and the income and burdens associated with farming. Chapter 4 considers how villagers use the resources generated by migration to achieve goals that include improving their material well-being and participating more fully in the social life of both the village and the city. The analysis focuses on the

uses of remittances for education, house building and marriage, and consumer goods. It explores the ways in which the values within rural society that inform spending patterns are continually adapted to evolving social and economic contingencies, with many of them being triggered by migration. Together these chapters elucidate the role of migration in increasing the bargaining power of social actors in their pursuit of goals by enabling them to obtain resources outside the home community.

Chapters 5 to 7 are based on material gathered in Xinfeng and Yudu counties and examine the involvement of returned migrants in business. Chapter 5 considers the local state as a social actor, examining its efforts to direct the resources generated by return migration toward goals that include modernization, town construction, and rural enterprise creation. It describes the local state campaign to encourage return migrant entrepreneurship and the strategies used, such as invoking values of loyalty to the home town and offering intending entrepreneurs preferential access to local resources – for example, land in towns, credit, and raw materials. The chapter also explains the local state's enthusiasm for harnessing returnee resources in terms of the career ambitions of grass-roots cadres themselves. Chapter 6 is concerned with the characteristics of both the returnee entrepreneurs and their enterprises. Examining the characteristics of the entrepreneurs – for example, the duration of their time spent in the cities, age, level of education, gender, and reasons for return – provides insight into their control over resources from both the city and home. It also elucidates how the returnees' control over resources influences their capacity to pursue entrepreneurship, with implications for the size and type of business that they establish on their return. Chapter 7 focuses on how returnees use their urban experiences and resources to bargain with the local state in ways that improve the local policy environment and the local infrastructure; it also examines how these negotiations make the home economy more conducive to business creation.

Chapter 8 draws on material from all three counties to examine the plight of migrants who are forced to return home because of ill fortune in the cities or binding obligations at home. The discussion considers the reintegration problems that they face after a sojourn in the cities has exposed them to new values and new ways of life but has failed to provide them with the resources needed to attain their goals. It examines how returnees use their broadened perspectives to struggle against the values and social arrangements that they find oppressive, and it also considers local state responses to migrants who face hardship or who create wider social problems on their return to the village. Finally, Chapter 9 evaluates the main findings of the empirical study in light of the theoretical issues outlined in Chapter 1.

This book was written in response to the fact that the impact of migration and return flows on the countryside has received little attention in the literature on

migration, development studies, and Chinese studies. This omission is critical when one considers that change in the countryside has as much significance for the future of China as events in the cities. The present study also offers insight into the lives of people in regions in China that have received little scholarly attention.

In conducting the research I have inevitably influenced and filtered what I saw and heard, and in writing the manuscript I have selected some sources of information and quotes while judging others to be less relevant. My efforts to explain what is arguably the most important source of change in rural China is therefore as much as an expression of my own perceptions and the imperatives of a social science project as it is an account of the countryside in transition.

I hope that these pages convey the ingenuity, kindness, humor, and individuality of those people who shared their experiences with me.

1

Values, Goals, and Resources

THIS book explores how labor migration is changing rural China and proceeds by examining the interactions among values, goals, resources, and social actors. *Values* are the meanings that people ascribe to attributes and actions. They are expressed in the norms and rules governing appropriate behavior in society, and they inform both goals and acceptable pathways to those goals. *Goals* are the things that people want to do, become, own, or feel; they are achieved by obtaining and deploying resources. *Resources* include both material resources (e.g., cash and commodities) and abstract resources such as contacts, information, and prestige. All these resources are distributed according to culturally embedded rules stipulating which people are entitled to what quantities of which resources under what conditions. *Social actors* are individuals or collective entities such as households. These actors usually attempt to deploy resources in ways that enable them to obtain more resources for attaining further goals. They are generally knowledgeable about society's values and distributional structures and reconstitute them as they use this knowledge to form and attain goals.[1] This means that each social actor continually stimulates interaction among values, goals, and resources. These interactions contribute to changes in the values and resources available within society to inform further goals, changes that both enable and constrain subsequent actions. Migration and return migration are strategies pursued by social actors for attaining goals; they involve the use and reproduction of particular values and mechanisms of resource distribution.

Values embedded in society underpin an expectation among both migrants and family members (remaining in the origin areas) that the migrant will return home once sufficient resources have been accumulated to attain their goals. Family and friends in the village sustain the return orientation of the migrants by providing resources to support out-migration, by conferring prestige on those who achieve their life goals at home, and by stressing values such as filial piety, love of the native place, and collective welfare. Ties between family in the origin village and fellow villagers who have already migrated furbish intending migrants with resources such as information, accommodation, and access to particular destination areas and occupational sectors. Family in the village also provide the migrants with security in the event of failure in the cities. Ideally, for