

China – an economic miracle built on sadness

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January 2013

China is admired as a world power and as an economic miracle: for the past decade, it has produced double-digit GDP growth - every year. It has emerged as one of the 5 opinion leaders – the BRICS - among the emerging economies. Over the past decades, the country has completely restructured its economy, raising agricultural and manufacturing productivities and positioning itself as a global exporter. China has achieved the Millennium Development Goal of halving poverty (measured at 1.25\$ per person per day, PPP) ahead of time. In fact, given China's share in the global population, economic poverty reduction in China has enabled the international development community to prepone the declared global achievement of its Millennium Development poverty goal, set for 2015, to 2010.

But: there are many buts. Despite the country's enormous economic growth, depending on the data and methodology used, 300 million people in China remained under the \$1.25 poverty line in 2005 (Chen and Ravallion 2008), and for 2010, after an economically successful suite of years, poverty estimates remain at 200 million persons. Despite the reduction, this is, after all, extreme poverty, in a country that had once vowed to eradicate all poverty and class differences. Interestingly China's national poverty line was, until a recent revision, the lowest globally (Chen and Ravallion 2008), underestimating the extent and depth of the issue.

Moreover, income inequality has increased visibly; statistically, the Gini coefficient is officially acknowledged to be around .48 (China Development Research Foundation 2012). Some Chinese researchers – and any ever so casual visit to the sparkling urban centres of the country – suggest a Gini coefficient of around 0.6. While urban-based upper income quintiles enjoy power, influence, and a cosmopolitan life style, unskilled and semi-skilled labourers in rural areas or in the country's massive industrial zones are increasingly marginalised, politically, socially, economically.

As is well known, the Chinese economic miracle is largely owed to the labour inputs of the “floating population” – around 230 million people who work away from their native areas – some in rural agriculture and off-farm work, others as urban-to-urban migrants. Less visibly, this includes a small but growing number of university graduates who illegally remain in cities eking out a living in casualised employment, because they see no in returning to their rural origins. The largest group in the floating population is the approximately 160 million labour migrants employed in urban factories.

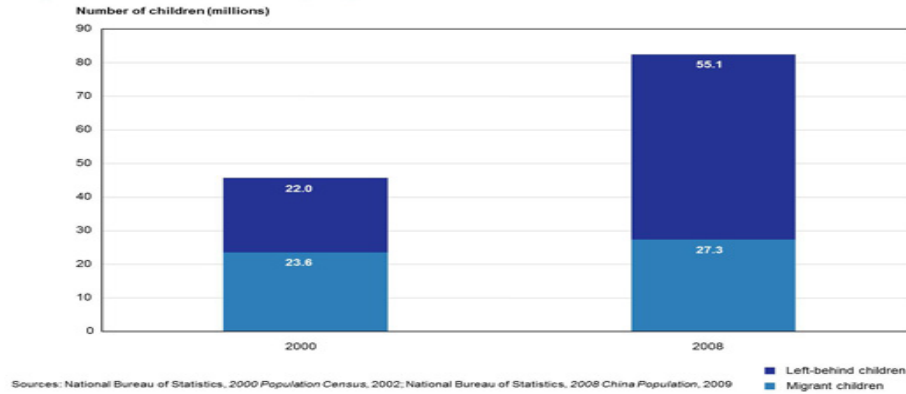
These migrant workers, primarily in the special economic zones, have recently begun claiming decent wages, after decades of tolerating dire work conditions, massive under-payment, horrifying accommodation situations, and a lack of health services. In most regions, they still have no right to remain in the cities once their employment ends, because of the registration (hukou) system that ties a citizen to their place of birth.

China's children

One less-reported facet of China's economic miracle, directly related to migration, is the increasingly complex situation of children. On the one hand, stunting (low height-for-age) which is an outcome of chronic malnutrition, at the national level decreased from 33 per cent in 1990 to 11 per cent in 2005; for urban children, it dropped from 9 per cent in 1990 to 3 per cent in 2005, and among rural children from 41 per cent to 13 per cent. This suggests that children's situations have significantly improved – materially. The success can be attributed to a combination of improved access to health services, water and sanitation, as well as to the higher rural incomes resulting from migrants' remittances to their hometowns and villages.

On the other hand, children’s emotional deprivations are intensifying. Recently released data suggest that more than 25% of the country’s children are affected by migration. An estimated 55 million children are “left behind”: one or both parents work and live in another location. The child is left in the care of relatives, usually the paternal grandparents. The number of such children more than doubled between the year 2000 and 2008 – the years of enormous GDP growth. Another 27 million children are migrants, accompanying their parents or migrating on their own.

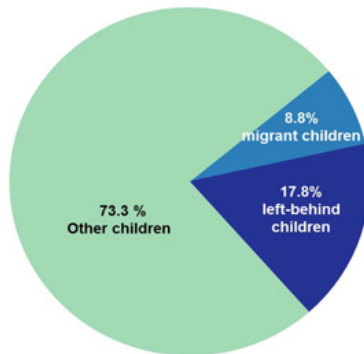
Figure 9.1 Children affected by migration, 2000 and 2008



Source: UNICEF China

<http://www.unicefchina.org/en/index.php?m=content&c=index&a=show&catid=204&id=891>

Figure 9.2 Children affected by migration as a percentage of all children, 2008



Source: National Bureau of Statistics, 2009 China Population, 2009a

Source: UNICEF China.

<http://www.unicef.cn/en/index.php?m=content&c=index&a=show&catid=204&id=892>

These children are, on average, financially better off than preceding generations. But equally importantly, they are affected by the absence of their parents, and often develop a severe sense of loss. Moreover, most are single children because of China’s draconian one-child policy. These are emotionally stunted, lonely childhoods.

Legislation for equality

China now needs to equalise its economic accomplishments. Several governmental efforts for this are underway. In the economic domain, they include wage increases and new regulations on limiting weekly working hours. They include policies, such as the “Go West” initiative in place for a decade now, to attract domestic and foreign investment to the inner provinces so that jobs would travel to people rather than people having to migrate for jobs. There are job creation strategies, such as new types of “industrial parks” which nurture the lucrative, professionally rewarding and

less draining creative industries – IT software, up-market consumer goods design, the arts.

In the social policy domain, there is a minimum income guarantee allowance (dibao), and an effort to introduce universal health insurance. The registration (hukou) system is under review, so that urban health and education facilities might become accessible for the families of migrants; and there is also some reflection on liberalising the one child policy. Child poverty, acknowledged as distinct from adults' poverty, is incorporated into the National Rural Poverty Reduction Strategy 2011-2020. Both in policy circles and the country's many impressive research centres, there is increasing recognition of the need to urgently address income poverty, in terms of population under the poverty line, as well as the growing differences between the richest and the poorest in terms of incomes and assets. Multidimensional forms of poverty and deprivation and the concept of child poverty have entered the academic and CSO discourse.

However, China's main policy orientation is still towards "more growth", with an ambition to double per capita income by 2020, compared to 2010 levels (Hu Jintao statement at the November 2012 Chinese Communist Party Congress). This will not solve China's problems. What is needed is radical income and wealth redistribution. What is needed is transparency, political participation and open debate, and the guarantee of human rights (apart from Amnesty International or Human Rights Watch reports, see Liao Yiwu's interviews with activists from the 1989 Tian An Men Square uprising in 1989). And what is needed is an environment where it is economically viable, and socially the norm, that children grow up in the care of their parents. In other words, it is imperative that economic growth is not bought with a young child's sadness.

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An earlier version of this text was published by the IDS Sussex, 19 Dec. 2012
<http://vulnerabilityandpoverty.blogspot.de/2012/12/china-economic-miracle-built-on-sadness.html>