

International Labor Migration 13

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# Return Migration and Productive Employment in Rural China

Empirical Evidence from Hunan Province

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#### **11.4 Summary and outlook**

The global financial and economic crisis since 2007 has an impact on the rural economy, with return migration and a subsequent reduction of remittances. Since it is not clear whether Chinese rural economy is able to reabsorb a large number of these return migrants, the importance of access to productive employment has grown. Based on the field survey in Hunan province of rural China, this research explores the employment situation of return migrants and its major determinants in rural regions.

Through a field survey in two rural regions in Hunan Province, 420 samples of return migrants were collected. According to return motivation and employment type, return

migrants were categorized into different groups. It found most return migrants returned for personal issues rather than the negative impact of the financial crisis. Most females returned for taking care of family. A lot of young people came back for a break and would like to move out again.

The two rural regions display different employment status by comparison. The results show that the rural region with centralized land use and vocational education system has higher employment rate. According to employment status, the return migrants are categorized into four groups: self-employed, full-time employed, part-time employed, and unemployed. 35 self-employed returnees were highlighted as they created more than 200 employment opportunities in rural areas. Most full-time employment is provided in primary and secondary sectors. Females do more part-time work or unemployed than men.

Considering the regional disparity and non-homogeneity of labor force, more than half unemployed return migrants in this case study are voluntary unemployed. There are 140 unemployed returnees, accounting for 34% of the total samples. 42% of them stay for rest and will go out to work again, mostly with the age under 26 years old. 40% unemployed are for family issues, such as taking care of parents and children.

In the literature, unemployed returnees may fail in pursuing their interests because they have been for too long outside the “traditional way of thinking” in their origin societies and lost their networks of social relationships. Hence return is considered as the outcome of a failed migration experience or because their human capital was not rewarded as expected (Cassarino 2004). “Return of failure” is also identified as a typical type of returnees, who could not take an active part or adapt themselves to their receiving society (Cerase 1974). However, in this research, the returnees seem to be failed in the employment status, but they cannot be categorized into the group of failure as they are voluntary unemployed. In particular, women bear major responsibilities for unpaid work, including housework and taking care of people at home without monetary reward. Although it is important for the family and society, unpaid work is not counted in conventional income and labour force statistics (Dong and An 2012).

The Millennium Development Goals (MDGs) addressed a new target “to achieve full and productive employment and decent work for all, including women and young people” (ILO 2009). It highlighted the importance of the access to employment to women and young people. Thus it is essential to improve policies to create opportunities for rural women and young people.

Based on the theories of neoclassical labor market, human capital, and social capital, this research also find out the major determinants of employment status and economic activity type for return migrants. Elder people, having training experience, longer return time, fewer savings, having cooperative membership increase the probability to be employed. It provides policy implications on how to promote productive employment in rural area. At the same time, younger people, having no child, without house ownership, and having membership increase the probability to do non-agricultural activity. Both Probit estimations highlighted the significance of training experience and cooperative membership in employment and economic activity for return migrants.

Based on the findings, it puts forward policy implications to promote employment in rural China. Measures are suggested to create opportunities to women and young people; to improve land transfer policy and rural industrialization; to develop vocational training programs in rural areas; to facilitate financial access and entrepreneurship in rural regions; and to promote development of rural cooperatives.

This research extends the empirical analysis in return migration and employment in rural China. It contributes to the literature and knowledge in determinants of employment and status of return migrants. Based on the primary data, its findings highlighted valuable policy implications to promote productive employment in rural regions. Due to timeframe and financial restriction, some critical issues could not be dealt with in more depth. In the further research, it is recommended to focus specifically on the following issues. First, studies can further explore the gender dimensions of migration in rural China. A gender sensitive approach may be followed to understand the contribution of women’s unpaid work to the rural community. Second, it would be interesting to compare return migrants with those who did not return. We will see if it is a negative selection for return and what the major differences between them. Third, further research can be done to compare return migrants with those non-migrants in

rural areas. It could find out the differences and similarities in their employment status and occupational choice. For these further indepth studies, it is necessary to collect more samples covering more rural regions.