

**CHINA'S REGIONAL LABOUR
MIGRATION: ECONOMIC AND
SOCIAL CONSEQUENCES**

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Executive Summary

1. China's interregional labour mobility has increased tremendously in the past two decades. Since 2004, more than one tenth of the total population is "floating population," migrants who have been away from their place of household registration for more than six months and who are mostly rural migrant workers. Poor regions have experienced significant net outward migrations.
2. Migration improves efficiency of interregional resource allocation and enhances the welfare of the residents in both source and host regions. However, this redistributes the "demographic dividends" across regions when it restructures regional demographics. The poor regions with net outward migration will have to maximise the benefits of labour mobility and limit its negative impact on their economies.
3. In particular, the household registration system and other institutional barriers have kept rural workers as temporary residents in urban areas, leaving behind their dependents in their hometown. This migration pattern has skewed the benefits of labour mobility more in favour of rich regions.
4. Therefore it is in the interest of the poor regions to make it easier for their migrant workers and their dependents to find permanent residence in urban areas. Several policy options are recommended for the governments of these regions:
 - (i) Push for the removal of migration barriers nationwide;
 - (ii) Remove barriers to rural-to-urban migration in their own administrative territories to make local cities and towns more attractive for migrant workers to settle in;
 - (iii) Co-operate with governments of rich regions to make it easier for rural migrant workers to obtain permanent residence across provincial borders; and
 - (iv) Improve the physical and social-economic infrastructure of the local economy to attract inward investment and enhance urbanization.

CHINA'S REGIONAL LABOUR MIGRATION: ECONOMIC AND SOCIAL CONSEQUENCES

LU Ding*

Interregional Growth Disparity and Labour Migration

- 1.1 For three decades, China has sustained hyper economic growth of above 9% per annum. At this rate of growth, the economy doubles its size every eight years, lifting hundreds of millions of people out of poverty.
- 1.2 China's hyper economic growth is, however, not without its flaws. Its uneven occurrence across the country's vast regions has caused income disparity between the rich coastal regions and the poor inland regions to widen.
- 1.3 Massive labour migration may severely affect the chance for the poor regions to catch up with the rich ones when it drastically changed the demographic structures in both host and source regions. China's interregional labour mobility has increased substantially since the late 1980s. A major part of this increasing labour mobility comes from the flow of rural migrant workers (农民工), who come to work in urban areas without becoming permanent urban residents due to various institutional restrictions.
- 1.4 The 1987 official census shows that there were only 15.2 million of migrants who were away from their place of household registration for more than six months. That amounted to only about 1.5% of China's population. The number of such defined "floating population" increased to 30 million by 1990,

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56 million by 1995, 80 million by 2000, and 140 million by 2004 or more than one tenth of the total population.¹

- 1.5 Increase in interregional labour mobility poses new challenges to the regional governments, especially those with net outward migrations. Good public policies are needed to maximise benefits and minimise costs of labour migration across regions. In particular it is in the interest of the poor regions to make it easier for their migrant workers to find permanent residence in urban areas.
- 1.6 The governments of these regions should push for the removal of migration barriers nationwide; remove the barriers of rural-to-urban migration in their own administrative territories; improve the physical and social-economic infrastructure of their local economy; and co-operate with governments of rich regions to make it easier for rural migrant workers to obtain permanent residence across provincial borders.

Migration across Provincial Economies

- 2.1 The rapid increase in labour migration occurred not only between rural and urban areas but also across different provincial economies. According to China's Population Census, between 1985 and 1990, the accumulated cross-province migration was over 11.06 million. By 2000, the number of people not living in the provinces of their own household registration reached 42.42 million. By 2005, the number rose to 47.79 million.
- 2.2 According to the author's estimation,² in 2000-05, all the nine richest provincial economies experienced net inward migration (indicated by positive net migration ratios). Meanwhile, most of the net outward migrating

¹ National Population and Family Planning Commission. 2005. *China's Population*, 20 September 2005, www.chinapop.gov.cn.

² Provincial economies' net migration volume, m_t was estimated in the following way: $m_t = \Delta N_t - g_{nt} N_{t-1}$, where $\Delta N_t = N_t - N_{t-1}$, which is the change of total population of residents in year t , and g_{nt} is the annual natural growth rate of the resident population. The net migration ratio was then defined in the period from year 0 to t as $Z_t = \sum_{i=0}^t \{m_i / [(N_0 + N_t)/2]\}$.

provincial economies had below-median-level per capita incomes (Figure 1). This pattern of migration from low-income regions to high-income regions was a continuation of the earlier trends of migration.³

- 2.3 Table 1 shows that of the 10 provincial economies with highest net outward migrations, only Inner Mongolia has a per capita income above the national average level. None of these economies have attained a per capita household consumption above the national average. It is also notable that the poor, out-migrating provincial economies have generally higher juvenile dependency ratios (i.e. younger populations).
- 2.4 Such massive migration from low-income regions to high-income regions has profound impact on interregional allocation of labour resources. In particular, it redistributes the “demographic dividends”⁴ across regions by substantially restructuring the regional demographics.

³ Earlier studies show strong and significant correlations between per capita incomes and net population inflows in the period 1985-1990 [Yao, Zhongzhi. 2003. Labour move and regional disparity, 世界经济 (*The World Economy*, China), 2003 no. 4: 35-44].

⁴ Demographic dividends arise from a particular period of demographic transition. In most parts of the world, population growth has roughly been through a three-phase transition. In the initial stage, both fertility rate and death rate are high and life expectancy is short so population growth is relatively slow with high dependency ratios (i.e., dependents-to-working-age-adults ratios) with large number of children to take care of. When economic modernisation arrives with improved public health care, better diets, and rising income, the death rate (especially infant mortality rate) starts to plummet and people live longer. The growing divergence between high birth rate and falling death rate accelerates population growth and leads to an unprecedented expansion of the population size which features the second stage of demographic transition. Thereafter, with further development and rise in standard of living, fertility rate starts to decline and population growth slows. At this third stage of demographic transition, the falling birth rate converges with the lower death rate over time and eventually leaves little population growth. In the post-transition era, as the falling fertility rate nears or drops below the replacement level, population growth eventually comes to a halt and even starts to decline. With low birth rates and lengthening life expectancy, an aging society emerges. When demographic transition enters the third phase and birth rate starts to fall, the baby boomers from earlier years enter the working age while the dependency ratio declines with fewer kids to be fed. Both the slowing population growth and the rising savings rate (thanks to a bulging working-age portion of the whole population) are favourable to capital accumulation and the rise of per capita income. Since the labour force grows at a faster rate than the total population, per capita income must rise as long as the growing labour force is sufficiently employed. These benefits thus bring in “demographic dividends” or “a window of development opportunity.” Human capital accumulation is also accelerated thanks to smaller family sizes and rising incomes that favour better child rearing conditions.

Demographic Consequences of Migration

- 3.1 At the national level, China's economic takeoff has benefited tremendously from demographic dividends over the past three decades. From 1949 to 1970, China was in the second phase of demographic transition. As shown in Figure 2, except for the 1959-61 Famine, annual death rate declined continuously from 1.7-2.0% in 1949-52 to 0.76% in 1970. Meanwhile, annual birth rate hovered between 2.9% and 4.3% for all years except for 1959-61, bringing two waves of baby boomers – the first in 1949-54 when birth rate stayed above 3.6% for 6 years and the second in 1962-65 when birth rate shot above 3.7% for 4 years. The enlarged gap between birth rate and death rate resulted in an unprecedented growth of population at an annual rate of over 1.6% through 1949-70 except for the 1959-61 Famine.
- 3.2 China entered the third phase of demographic transition in the early 1970s, when the government started nationwide family planning programs. Between 1970 and 1979, the total fertility rate fell sharply from 5.81 births to 2.75 births per woman. The decline in total fertility rate was accelerated after 1980 when the one-child-per-couple policy was launched and promoted. Total fertility rate continued its downward slide and reached the replacement level of 2.1 per woman around 1990.⁵ China's fertility decline within a relatively short time period is drastic, rarely seen elsewhere in the world. The United Nations Secretariat estimated that the fertility rate in 2000-2005 was around 1.7 births per woman, well below the replacement level of 2.1 births per woman.⁶
- 3.3 China's population structure in the 1970s-1980s was largely a bottom-heavy one, characteristic of a young population with a fast-growing labour force.

⁵ Despite declining fertility rate, crude birth rate re-bounced in the 1980s, when 9 out of 10 years saw birth rates above 2%. The bulging birth rates were largely caused by the coincidental arrival of two waves of earlier baby boomers; many first-wave baby boomers had to delay organizing their families during the chaotic Cultural Revolution (1966-76). The birth rate soon resumed its falling trend by the end of the 1980s right up to below 0.15% per annum by the turn of the century.

⁶ United Nations Secretariat. 2006. *World Population Prospects: the 2006 Revision* and *World Urbanization Prospects: The 2005 Revision*, <http://esa.un.org/unpp>.

From 1975 to 2005, the combined effects of the second-wave baby boomers of working age and the continuous fall in fertility rate had moved the overall dependency ratio downwards, while most of the first-wave baby boomers had not yet grown out of their productive age. As seen in Figure 3, the juvenile dependency ratio (between those aged 0-14 and those aged 15-64) fell all the way from over 70% in 1970 to below 30% after 2000, while the elderly dependency ratio (between those aged 65+ and those aged 15-64) remained relatively stable below 10%. The overall dependency ratio (between those aged 0-14 and 65+ and those aged 15-64) thus fell from nearly 80% to below 40%. Such a very favourable demographic change coincided with the crucial years of China's market-oriented reform and economic takeoff. From 1982 to 2000, roughly 15% of China's growth was attributable to "demographic dividend".⁷

- 3.4 In most places, the "demographic dividend" period has lasted at least five decades. In China, however, the demographic transition has occurred like a fast-forward video play, resulting in a much shorter and transitory dividend period. All indicators of demographic trends suggest that China has already entered a post-transition era of a fast aging population. By 2000, China's population age structure was that of a mature population with the working age cohort taking up the largest share. China's population age structure is projected to become a very old one by 2030. From 2005 to 2025, China's population aged over 65 will double in size to about 200 million people. From 2015, the overall dependency ratio will rise sharply as a result of the rapidly aging population (Figure 3).
- 3.5 Across China, demographic patterns are highly heterogeneous. As evident in Figure 4, there is a rough correspondence between aging and per capita income. The richest five provincial economies have the oldest population structures. Most lower-income provinces have relatively younger populations. Generally the rich provinces are at the later phase of demographic transition

⁷ Mason, Andrew and Wang Feng. 2005. Demographic dividends and China's post reform economy. Paper presented to the International Union for the Scientific Study of Population. XXV International Population Conference, Tours, France, July 18-23, 2005.

while the poor ones are more likely to be at the earlier phase of transition. The poor inland regions appeared to have more room for “demographic dividends” or “window of development” than the rich coastal regions.

- 3.6 Unfortunately, greater labour mobility across regions has somehow diluted the demographic dividends for the poor regions, most of which with net outward migrations. The outward migration of the working-age population from the poor regions to the rich coastal regions has helped the latter cope with problems of an aging population by providing young workers to its labour force. It nevertheless shrinks the size of the labour force in the poor regions and raises its dependency ratios.
- 3.7 Table 2 compares the changes in demographic structures in ten poor regions with net outward migration and seven rich regions with net inward migration between 2000 and 2006. During the period 2000-2006, the ratio of working age population declined on average by 5.6 percentage points in the seven rich provincial economies and by 11.3 percentage points in the ten poor regions. Meanwhile, the average ratio of elderly population climbed by 5.3 percentage points in the seven rich regions and sharply doubling by 6.7 percentage points in the ten poor regions. The poor regions are quickly losing their demographic dividends to the rich ones.
- 3.8 Figure 5 compares the changes of average demographic structures during the 2000-2006 period in the rich regions and the poor regions. Compared to rich regions, the poor regions experienced a sharper drop in working age population ratios and a more drastic rise in elderly population ratios.
- 3.9 Figure 4 shows that some of the below-medium-income provinces, such as Guizhou, Guangxi, Anhui, Sichuan, Hunan, and Chongqing, have already displayed above-medium elderly dependency ratios. Situations in some provinces like Shaanxi, Hunan and Hubei are more worrying since they have below-medium juvenile dependency ratios but near- or above-medium elderly dependency ratios, indicating a fast aging population in the near future. Since per capita incomes in these provinces are below the medium, they are likely to

be trapped in a status of “getting-old-before-getting-rich.” Another problematic group consists of the three Northeast provinces, Liaoning, Heilongjiang and Jilin, which are located in the heavy industry “rustbelt,” with high ratios of loss-making state-owned enterprises. All three have juvenile dependency ratios only 2/3 of the medium level and near-medium elderly dependency ratios, which again foretell of a fast aging population.

Improving Welfare of the Poor

- 4.1 Despite its detrimental impact on the poor regions’ demographic structures, labour migration enhances efficiency of labour resource allocation across regions. It improves the welfare of residents in poor regions as well as in rich regions. In regions where labour is relatively scarce, its rate of returns (i.e. wage rate) is higher than other production factors. Such differences in rates of returns for production factors are the bases of differing comparative advantages of regional industries and products as well as movements of production factors. Migrant workers from the poor regions gain from better-paid jobs in the rich regions. The existence of surplus rural labour only bolsters the efficiency gains of migration to sectors and regions with a booming demand for workers.

- 4.2 This process of “factor price equalisation” benefits not only the workers from poor regions but also the employers of the rich regions since they can hire cheap labour. The resulting lower production costs will eventually be passed to the general public (especially the consumers) in all regions through cheaper goods and services.⁸

⁸ Factor price equalisation through factor mobility thus helps close the income gap between the poor and rich regions. It is, however, only a necessary condition for interregional income convergence but not a sufficient one. Per capita income is $y = (wL + rK)/L = w + rK/L = w + rk$, where w is wage rate, r is rate of return to capital, and L and K refer to labour and capital respectively. Even if w and r are equalised across regions, the occurrence of convergence in y will depend on whether per worker capital stock, k , converges. According to neoclassical steady-state growth model, k may vary due to different saving rates and/or population growth rates across regions.

- 4.3 Poor regions may also benefit from labour mobility through its impact on human capital accumulation.⁹ Migration of workers from low-wage (human capital poor) regions to high-wage (human capital rich) regions can create an indirect channel of productivity transmission across regions if some of those workers continue to accumulate human capital in their homeland regions (by, for instance, investing in their children's education there). In the process of wage equalisation from migration, the prospect of getting better-paid jobs provides incentives for those left behind to raise the rate of human capital accumulation, thus leading to equalisation of levels of human capital and hence levels of per capita income across regions.
- 4.4 Poor regions also benefit from migrant workers' remittance back home. As shown in Figure 6, for almost all provincial economies whose per capita household consumption levels fall below the national level, their per capita household consumption indices are above their per capita GDP indices. That happens largely thanks to the migrant workers' remittance. The migrant workers' remittance lifts not only consumption of family members who stay behind, but also the saving and investment rates in the homeland. Higher savings and faster accumulation of capital stock are the preconditions for faster growth of per capita income.
- 4.5 Finally, labour mobility is generally more effective than capital mobility to equalise incomes across regions because capital owners usually do not migrate with their capital. Capital flows will change the per worker capital stock and thus the per capita Gross Domestic Product (GDP, the value of final products produced in a region) across regions but it will not change per capita Gross National Product (GNP, the value of income earned by the residents of a region) across regions if capital owners stay where they are. In contrast, labour mobility leads to migration and thus changes per capita GDP as well as per capita GNP, leading to more effective convergence in per capita income levels.

⁹ Razin, Assaf and Chi-Wa Yuen. 1997. Factor mobility and income growth: two convergence hypotheses. *Review of Development Economics*, 1(2): 171-190.

Challenges to the Regions with Net Outward Migration

- 5.1 Despite the aforementioned benefits, the regions face a major challenge in maximizing the benefits of labour mobility and controlling the negative impact of losing the demographic dividends. Unfortunately, the current institutional environment in China is far from conducive for the poor regions to gain sufficient benefits from outward migration of their labour.
- 5.2 One of the author's recent empirical findings shows that, since the mid-1990s, the dependency ratio's constraining effect on per capita income in the rich coastal regions has only been *half of* the average level in all regions. In other words, the rich coastal regions have been significantly less constrained by the rising dependency ratios.¹⁰ It is evident that increased labour mobility has generated biased benefits to regions with net inward migration. If this pattern of welfare effects continues, greater interregional labour mobility will only aggravate interregional disparity in development as the poor regions lose their most productive workers to the rich regions.
- 5.3 The household registration system and other institutional barriers continue to keep the migrant labour force "floating" or "temporary". The fact that a great proportion of migrant workers' dependents are left behind in their homeland has deteriorated the demographic structures of the poor regions. The remarkably higher dependency ratios in most poor regions and higher elderly dependency ratios in some poor areas (Figures 4 and 5, Table 2) substantiate this observation. A great proportion of the poor regions' population spends most of their productive years outside the local economy only to return to their homeland after becoming aged dependents themselves. Therefore gaps in per capita incomes across regions are more likely to be persistent and even enlarged. Migrant workers' remittance can only moderate the gaps but not enough to close them as shown in Figure 6.

¹⁰ Lu Ding. Regions with net outward migration: issues and challenges. Paper presented at International Conference on China's Regional Economic Development: Cooperation, Challenges & Opportunities for Singapore, 9-10 May 2008, Singapore.

- 5.4 Even the migration's spill-over benefits of faster human capital accumulation at homeland may be discounted since the fruits of human capital accumulation will eventually be drained away by the outward migration of the more productive workers. Sociologists in China have well observed that with their parents being separated or away for jobs outside the homeland, children of migrant workers suffer severe disadvantages in the quality of their school education. The issue has raised serious concerns among the public. By 2007, there were about 150 million rural migrants working in the urban areas. About six million of these migrants' children had moved with their parents to live in urban areas but many of them were deprived of equal educational opportunity as children of permanent urban residents. Another 22 million migrant workers' children had been left behind in the rural homeland, accounting for 17% of the total schooling-age cohorts. Without direct care by their parents, these "left-behind children" (留守儿童) face various psychological and social problems.¹¹

Policy Options for the Poor Regions

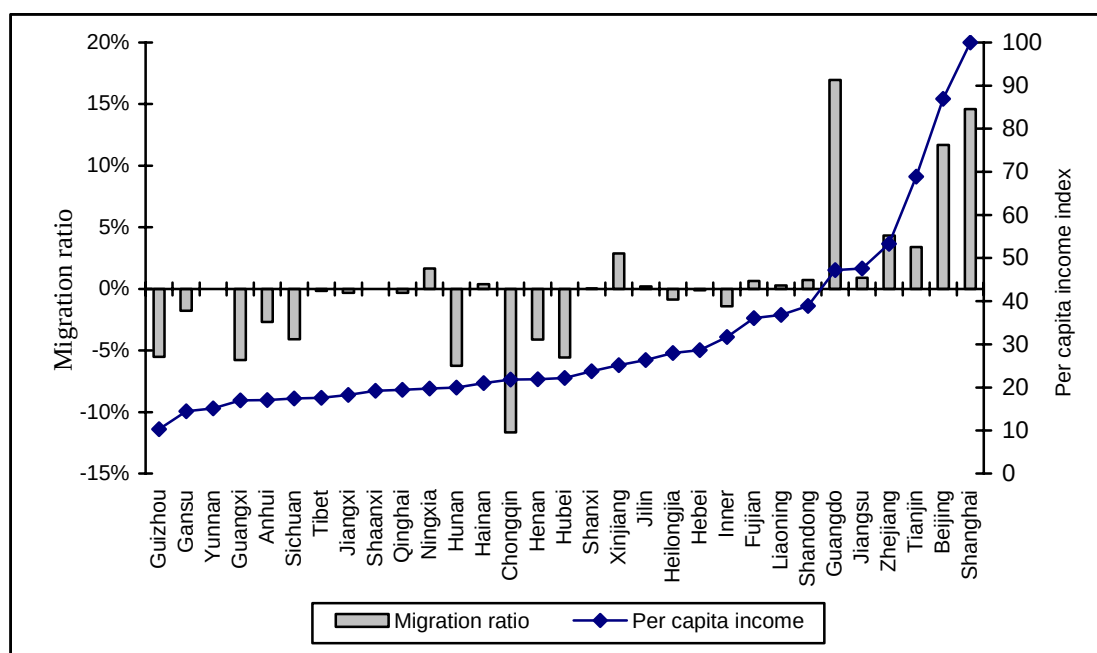
- 6.1 The long-term effects of labour mobility on interregional income disparity depend on the migration patterns. If migrant workers from the inland and rural areas were allowed to establish permanent residence with their dependents in the coastal and urban areas, migration will improve the age structure of the rich provinces as well as the welfare of those migrant workers and their dependents.
- 6.2 By moving their dependents with them, the detrimental impact of labour emigration on the homeland demographic structure is minimised. Meanwhile, they will not only be contributors to the rich regions' GDP but also become the income earners of these regions' GNP. The wage rate in their hometown regions will also be raised as labour becomes relatively scarce thanks to emigration.

¹¹ "Standing Committee of National People's Congress concerns over the education problems faced by children of rural migrant workers," *Xinhua* News Agency, 28 June 2007 (www.gov.cn).

- 6.3 In the longer run, most emigrants who established residence in the rich regions will not return as elderly dependents to add burden to their homeland population after their retirement. Many of them, as future investors, can be expected to be more prone to find investment opportunities in their homeland, as evident in the mainstay role played by overseas Chinese investors in the early years of China's opening up. In contrast, if the household registration system and other institutional barriers continue to keep the migrant labour force "floating" around the country, the interregional income disparity is likely to persist and worsen.
- 6.4 For governments in regions with net outward migration, it is important to understand that outward migration of labour is driven by market forces and should not be resisted. To maximise the benefits of labour migration and minimise its negative impact, the following policy options could be taken:
- (i) Removing institutional barriers to permanent migration of rural workers and their dependents to urban areas should be a long term goal at the national level. Governments of poor regions should persistently lobby and push for an overhaul of the nationwide household registration system to achieve that goal.
 - (ii) At the local level, provincial governments should move ahead to lower or remove the barriers of rural-to-urban migration in their administrative territories. Rural migrant workers who can find jobs in local cities or towns and are willing to move there with their dependents should be welcomed and supported by the government. This will make local cities and towns more attractive for them to settle in. Meanwhile improving the physical and social-economic infrastructure of local urban areas to absorb more rural migrants should be a priority of the local government.
 - (iii) Governments of poor regions may negotiate with governments of rich regions on policies and regulations that will facilitate the assimilation of migrant workers in the urbanisation process of the rich regions. Such coordination among the regional governments will make it easier for workers and their families from poor regions to establish permanent residence in rich regions.
 - (iv) Much can be done to improve the local business climate through investment in infrastructure, institutional reforms, and policy changes to attract more inward capital flows, especially inward direct investment from other regions or abroad. Continuous inward investment will raise capital-labour ratio in the local economy, create more jobs, enhance labour productivity, and therefore raise local wage rate.

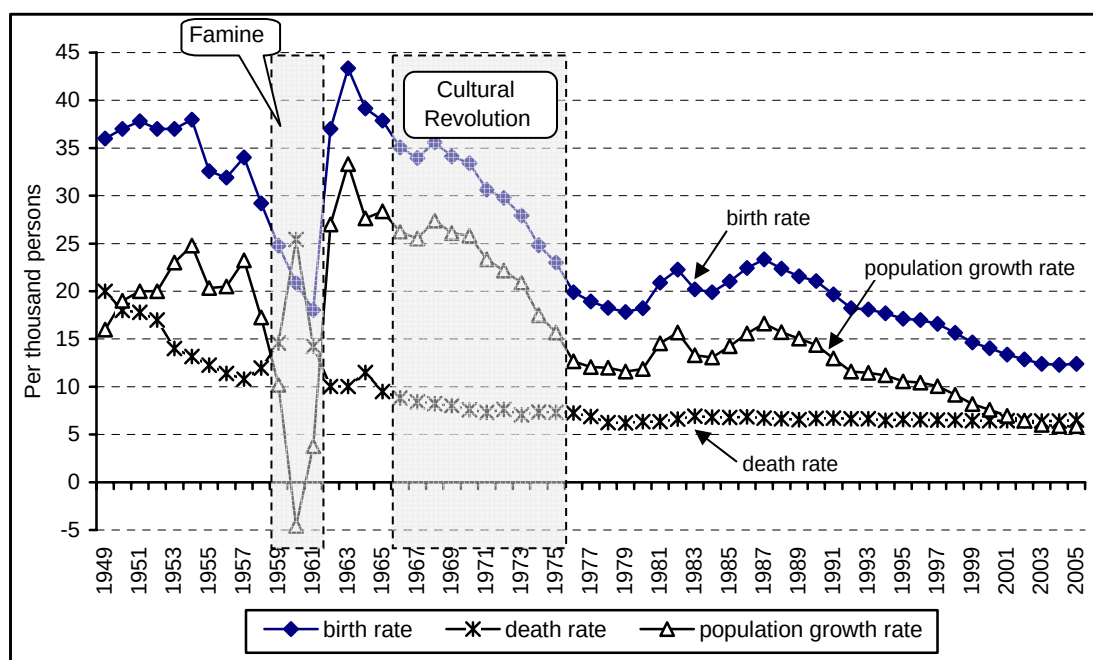
Appendix

**FIGURE 1 PROVINCIAL PER CAPITA INCOME (2005) AND
MIGRATION RATIO (2000-05)**



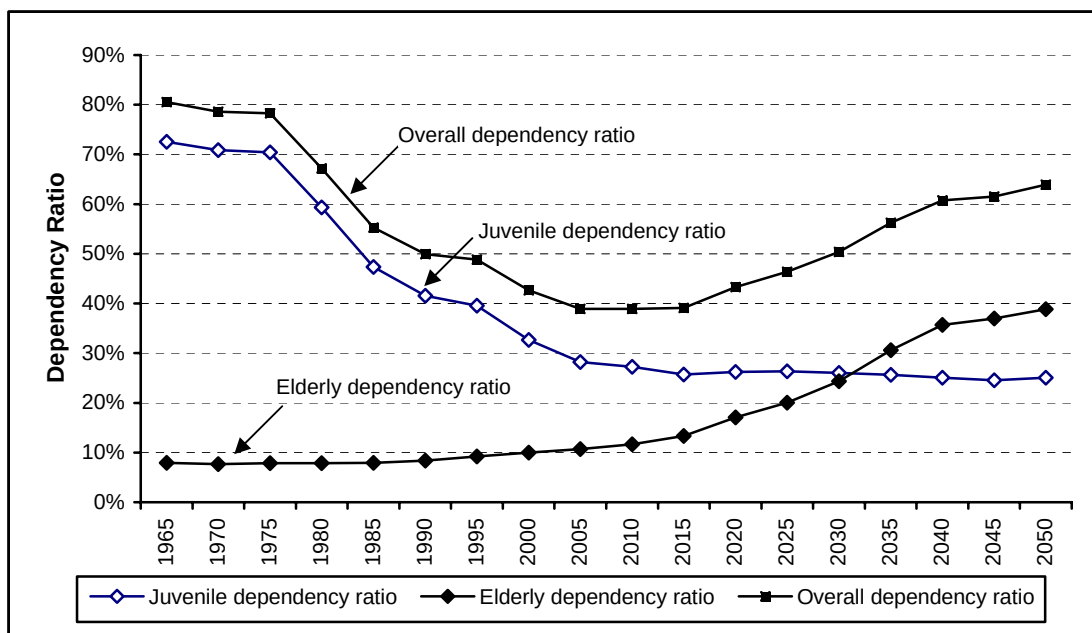
Source: National Bureau of Statistics of China, *China Statistical Yearbook* 2001-2006, Beijing: China Statistics Press.

**FIGURE 2 BIRTH RATE, DEATH RATE, AND NATURAL GROWTH
RATE OF POPULATION (1949-2005)**



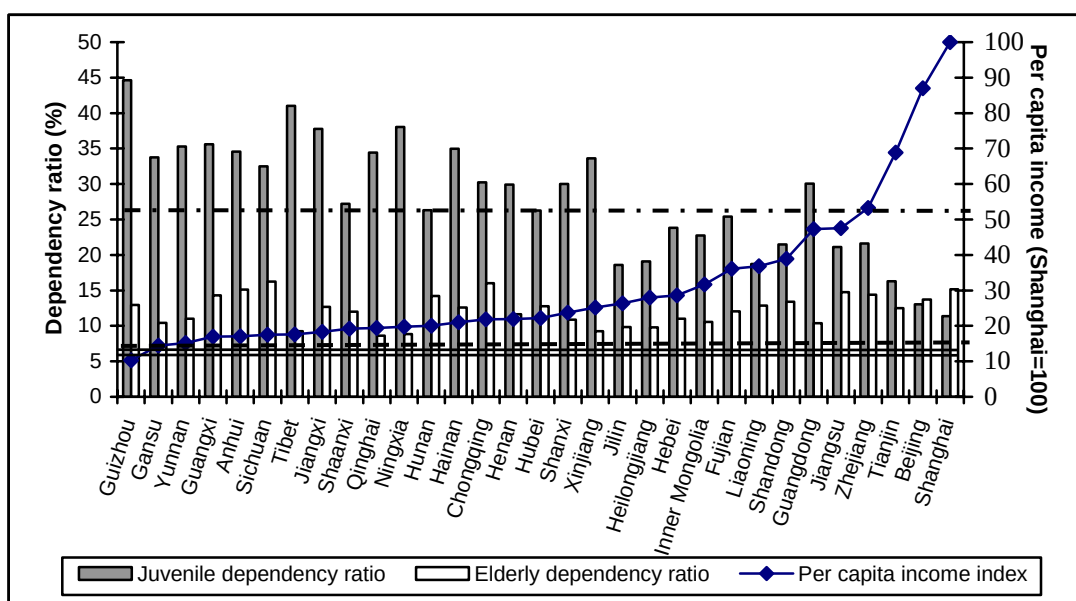
Source: National Bureau of Statistics of China, 1999. *Comprehensive Statistical Data and Materials on 50 Years of New China*. Beijing: China Statistics Press; National Bureau of Statistics of China, 2005. *China Compendium of Statistics: 1949-2004*. Beijing: China Statistics Press; Institute of Population and Labor Economics, Chinese Academy of Social Sciences, 1985-2006. *Almanac of China's Population*, ACP Press.

FIGURE 3 CHINA'S JUVENILE, ELDERLY AND OVERALL DEPENDENCY RATIOS (1970-2050)



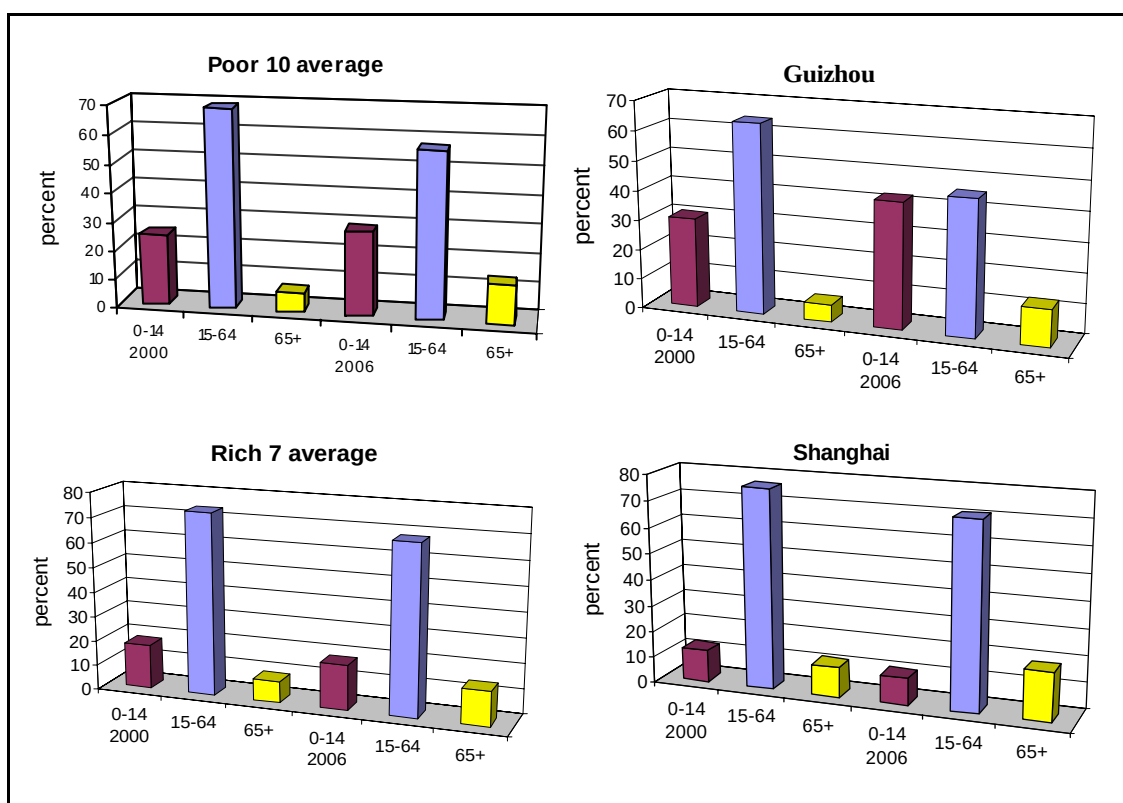
Notes: - Juvenile dependency ratio = population aged 0-14 to population aged 15-64;
 - Elderly dependency ratio = population aged 65 and above to population aged 15-64;
 - Overall dependency ratio = (population aged 0-14 and population aged 65+) to population aged 15-64.
 Source: United Nations Secretariat. 2006. *World Population Prospects: the 2006 Revision and World Urbanization Prospects: The 2005 Revision*, <http://esa.un.org/unpp>; National Bureau of Statistics of China, 1999. *Comprehensive Statistical Data and Materials on 50 Years of New China*. Beijing: China Statistics Press; National Bureau of Statistics of China, 2005. *China Compendium of Statistics: 1949-2004*. Beijing: China Statistics Press.

FIGURE 4 REGIONAL DISPARITY OF PER CAPITA INCOME AND DEPENDENCY RATIO (2005)



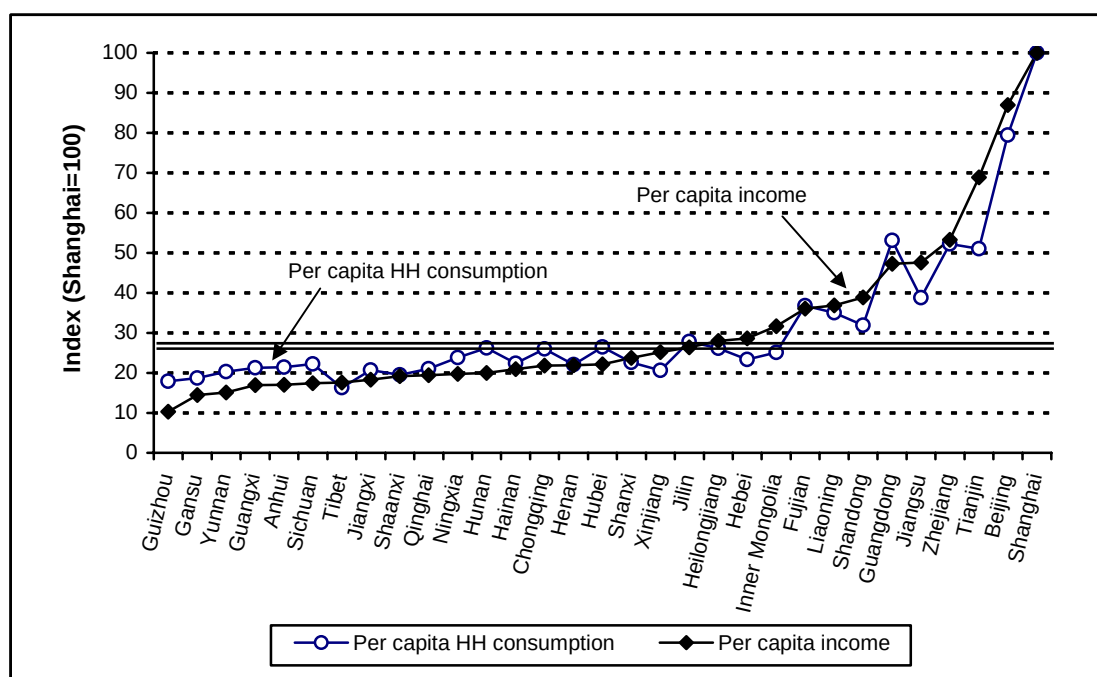
Note: “==” refers to medium per capita income, “- - -” refers to medium elderly dependency ratio, and “-.-” is medium juvenile dependency ratio.
 Source: Compiled from National Bureau of Statistics of China, *China Statistical Yearbook 2006*, Beijing: China Statistics Press.

FIGURE 5 CHANGES IN DEMOGRAPHIC STRUCTURES (2000-2006)



Source: Same as Table 2.

FIGURE 6 PROVINCIAL PER CAPITA INCOME AND PER CAPITA HOUSEHOLD CONSUMPTION (2005)



Note: “==” refers to national per capita household consumption level.

Source: National Bureau of Statistics of China, *China Statistical Yearbook 2006*, Beijing: China Statistics Press.

TABLE 1 TOP PROVINCIAL ECONOMIES WITH HIGH NET MIGRATION RATIOS (2005)

	Per capita GDP	Dependency ratio			Per capita household consumption	Net Migration Ratio (2000-05)
	Index	Gross	Juvenile	Elderly		
Guizhou	10.31	57.58	44.65	12.93	17.55	-5.5%
Gansu	14.48	44.15	33.74	10.41	18.89	-1.8%
Guangxi	16.99	49.92	35.60	14.32	21.39	-5.8%
Anhui	17.06	49.66	34.56	15.10	19.86	-2.7%
Sichuan	17.47	48.74	32.50	16.24	21.35	-4.1%
Hunan	19.99	40.53	26.30	14.23	25.67	-6.2%
Chongqing	21.86	46.27	30.23	16.04	25.93	-11.6%
Henan	21.92	41.58	29.92	11.66	22.96	-4.1%
Hubei	22.18	39.00	26.25	12.75	25.69	-5.6%
Inner-Mongolia	31.71	33.32	22.74	10.57	28.90	-1.4%
National	27.33	40.10	27.39	12.71	29.82	
Shandong	38.89	34.90	21.48	13.42	34.61	0.7%
Guangdong	47.25	40.45	30.05	10.39	50.47	17.0%
Jiangsu	47.56	35.88	21.11	14.77	40.57	0.9%
Zhejiang	53.29	36.01	21.63	14.39	52.35	4.3%
Tianjin	68.86	28.79	16.31	12.48	58.13	3.4%
Beijing	86.96	26.74	13.03	13.70	92.60	11.7%
Shanghai	100.00	26.53	11.39	15.14	100.00	14.6%

Source: compiled from National Bureau of Statistics of China, *China Statistical Yearbook* 2006, Beijing: China Statistics Press.

TABLE 2 CHANGES IN DEMOGRAPHIC STRUCTURE (2000-2006)

Age	2000			2006		
	0-14	15-64	65+	0-14	15-64	65+
Poor 10 average	24.6	68.7	6.7	29.3	57.4	13.4
Guizhou	30.3	63.9	5.8	42.2	45.3	12.5
Gansu	27.0	68.0	5.0	30.8	58.8	10.4
Guangxi	26.2	66.6	7.1	32.3	54.6	13.1
Anhui	25.5	67.0	7.5	31.2	53.9	14.9
Sichuan	22.7	69.9	7.4	28.9	54.7	16.4
Hunan	22.2	70.5	7.3	25.2	60.0	14.8
Chongqing	21.9	70.2	7.9	28.2	55.3	16.6
Henan	25.9	67.1	7.0	29.4	59.2	11.4
Hubei	22.9	70.8	6.3	23.2	63.4	13.4
Inner Mongolia	21.3	73.4	5.3	21.4	68.4	10.3
Rich 7 average	17.9	73.5	8.6	18.2	67.9	13.9
Shangdong	20.8	71.1	8.0	20.3	67.0	12.7
Guangdong	24.2	69.8	6.1	27.8	62.4	9.8
Jiangsu	19.7	71.6	8.8	20.2	64.8	15.0
Zhengjiang	18.1	73.1	8.8	20.0	66.6	13.4
Tianjin	16.8	74.9	8.3	15.6	70.8	13.6
Beijing	13.6	78.0	8.4	12.7	73.1	14.3
Shanghai	12.2	76.3	11.5	10.5	71.0	18.6
National average	22.9	70.1	7.0	25.5	61.8	12.7

Source: compiled from National Bureau of Statistics of China, *China Statistical Yearbook* 2001, 2007, Beijing: China Statistics Press